

AGRICULTURAL OUTLOOK

Economic Research Service
United States Department of Agriculture •

August 1994



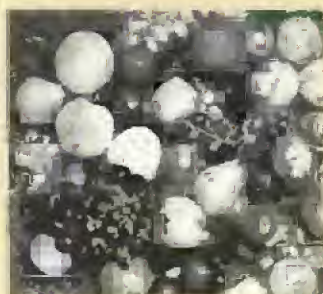
GRAIN



*The World Trade Landscape
1994/95*

August 1994/AO-210

AGRICULTURAL OUTLOOK



Departments

- 2 Agricultural Economy**
Agriculture & Property Taxes
Commodity Overviews
News Watch
Gene Wunderlich
- 16 Commodity Spotlight**
World Grain Trade To Slip Again in 1994/95
Pete Riley & Sara Schwartz
- 20 World Agriculture & Trade**
Exports As a Share of Agricultural Production
Tom Capehart
- 22 Farm Finance**
Farm Lenders Face Rising Interest Rates
*Ted Covey, Robert Collender,
& Paul Sundell*
- 24 Farm & Rural Communities**
Farm Safety: New Rules on Pesticides
Jack L. Runyan

Special Article

- 28 U.S. & Canada: The Nature of Ag
Trade Disputes**
Mark Simone

Statistical Indicators

- | | |
|--|---|
| 32 Summary | 47 World Agriculture |
| 33 U.S. & Foreign Economic Data | 48 U.S. Agricultural Trade |
| 34 Farm Prices | 51 Farm Income |
| 35 Producer & Consumer Prices | 56 Food Expenditures |
| 37 Farm-Retail Price Spreads | 56 Transportation |
| 39 Livestock & Products | 57 Indicators of Farm Productivity |
| 43 Crops & Products | 58 Food Supply & Use |

Economics Editor—Cathy Greene (202) 501-8542
E-mail: CGreene@ERS.Bitnet

Associate Editor—Nathan Childs (202) 501-8540

Managing Editor—Mary Reardon (202) 219-0566

Overview Coordinators—Stephanie Mercier, Carol Whitton, Field
Crops: Agnes Perez, Livestock: John Love, Specialty Crops

Statistical Coordinator—Ann Duncan (202) 501-8541

Design & Layout Coordinator—Victor Phillips, Jr.

Editorial Staff—Trina J. Myers

Tabular Composition—Joyce Bailey, Ciliola Peterson

Time to renew? Your subscription to *Agricultural Outlook* expires
in the month and year shown on the top line of your address label.
Renew by calling 1-800-999-6779.

The contents of this magazine have been approved by the World
Agricultural Outlook Board and the summary released July 20,
1994. Price and quantity forecasts for crops are based on the
July 12 World Agricultural Supply and Demand Estimates.

Materials may be reprinted without permission. *Agricultural Outlook*
is printed monthly except for the January-February combined issue.

Annual subscription: \$42 (\$52.50 for foreign addresses, including
Canada). Order from ERS-NASS, 341 Victory Drive, Hemdon, VA
22070. Or call toll free, 1-800-999-6779 (U.S. and Canada only).
All other areas, please call (703) 834-0125. Make check payable to
ERS-NASS.

The next issue of *Agricultural Outlook* (AO-211) is scheduled for
mailing on September 6, 1994. If you do not receive AO-211 by
September 26, call the managing editor at (202) 219-0566 (be sure
to have your mailing label handy). The full text of AO-211 will
also be distributed electronically; additional information on this
is available at (202) 720-9045.

World Grain Trade . . . Interest Rate Upturn . . . Pesticide Protection Standard . . . & Farm Property Taxes

No Growth in Grain Trade

World trade in wheat and coarse grains is projected to be 180 million tons, down marginally from 1993/94 and the lowest since 1986/87. Weak imports by the former Soviet Union are playing a major role in the flat performance. Also, foreign grain production is expected to remain high, limiting imports in a number of countries that have moved towards self-sufficiency. Prospects for U.S. wheat and coarse grain exports in 1994/95 are also relatively weak, due to slow import demand and sharp competition from other exporting countries. U.S. shipments of coarse grains are expected up from the previous year but below historical levels, while U.S. wheat exports are expected to decline slightly.

U.S. imports of wheat and wheat products were a record 2.9 million metric tons in marketing year 1993/94 (June-May), with Canada the primary source. Current agricultural trade disputes between the U.S. and Canada focus on increased imports of Canadian grain and other commodities, as well as restricted market access for U.S. dairy, poultry, and egg products into Canada.

Exports' Share of Farm Output

The value of agricultural exports is forecast to remain at last year's relatively high level of \$42.5 billion in fiscal 1994, and exports' share of farm production is also holding steady, forecast at 17 percent for the third consecutive year. Although the proportion of bulk commodity production exported is greater than the export share of high-value products—forecast at 27 percent for fiscal 1994 compared with 13 percent—the high-value export share has been increasing steadily over the past decade. The forecast export share of high-value products is up by 1 percentage point from last year, while the export share of bulk commodity output is forecast down 6 percentage points.



Interest Rates Climbing

Many farm lenders are sensitive to unexpected increases in interest rates, which have trended upward since early 1994 and are expected to continue rising throughout the rest of the year. Farmers' high degree of capital intensity and reliance on debt, as well as farm lenders' balance sheet composition, make farm lenders especially susceptible to unexpected or prolonged increases in interest rates.

Interest rates on farm loans are expected to rise to a lesser degree this year than general economy market rates. Most FCS loans are variable rate loans which are repriced administratively rather than by a market-determined index, and interest rate increases on loans may be limited because borrowers are also shareholders. Large commercial banks and life insurance companies use many techniques to hedge against unexpected increases in interest rates, reducing their need to pass on increases to farmer-borrowers. The largest farm rate increases will occur in shorter term, more frequently repriced loans.

Pesticide Protection Rules

The Environmental Protection Agency's 1992 worker protection standard for pesticides will be fully in effect on January 1, 1995. Directed at workers who handle pesticides, the new EPA standard expands employer requirements for safety training, exposure protection, and emergency assistance to exposed workers, and makes fewer exceptions for farm owners and their immediate families than most other farmworker protection standards.

While rates of work-related injury and illness for many occupations have declined for several decades, the rate for agriculture has remained constant, amounting in 1991 to 11.8 full-time workers per 100 compared with 8.4 for all private sector industries. Most farm safety regulations have exempted small employers, farm owners and operators, and their families.

Dissecting Farm Property Taxes

Tax rates on the value of farm real estate (land and buildings) were lowest for the largest farm properties, according to a recent study by USDA's Economic Research Service. Using data from a 1988 Census survey of farmland owners, the study showed that for nearly every property value class in the survey, smaller valued holdings were taxed at higher rates.

The ERS study examined several factors as potential causes of the distribution of the farm property tax. A "state effect," for example, could help explain the U.S. distribution of the tax if most large landholdings were in states with low rates of taxation or most small landholdings were in states with high rates. But in virtually every state, the share of taxes paid by small farm owners was greater than their share of farmland and building value. Another plausible explanation for the tax rate variability is appraisal or assessment bias in which high-value properties are systematically underappraised and low-value properties overappraised.

Agricultural Economy



Agriculture & Property Taxes

Owners of the largest farm properties pay real estate taxes at the lowest rates, according to a recent study by USDA's Economic Research Service (ERS). Based on a 1988 U.S. Census survey of farmland owners, the study showed that the tax paid per \$100 of farm real estate (land and buildings) declined with increases in the value of holdings. Landholdings valued at \$5 million or more were taxed at an average rate of 47 cents per \$100, and for landholdings of \$70,000 or less, the average tax rate was \$1.45 per \$100.

Moreover, states vary widely in their rates of real property taxation. Variations in state taxes on real property depend upon the level of services supplied by state and local jurisdictions, other sources of revenue, and the value of the real property base. Other important determinants of the tax on a parcel of land are the local appraisal and assessment methods.

In Michigan, for example, the real property tax on farmland was \$21.31 per acre and \$2.14 per \$100 of market value when the survey was conducted by the

Census. (Michigan has subsequently restructured its real property tax, and farmland taxes are now lower.) In Alabama, farmland taxes were \$2.63 per acre and 31 cents per \$100 of market value. These effective tax rates reflect the tax bill on agricultural land, and not necessarily the final incidence of the tax. Subsequent refunds and deductions on a farmer's income tax can greatly alter the final incidence of the property tax, and may be capitalized into farmland values, thus affecting the rates and distribution of taxes.

Property taxes are an important component of local government budgets and services, especially as a source of funding for schools. Two-thirds of local tax revenue, and over 40 percent of all local revenue (including fees, fines, and charges), comes from property taxes. And property taxes still supply over one-fifth of local revenue from all sources, including Federal and state transfers, though this is down from nearly one-third in the early 1970's.

For the two-thirds of farmers who own their land, property taxes remain a significant expense. According to recent ERS statistics, property taxes accounted for about 4 percent of total production expenses in 1992—about the same share as

seeds, fuel, or pesticides. And the property tax share of production expenses may be higher for smaller growers. According to a recent ERS study of large-scale farms, the property tax share of total farm production expenses was 5 percent for farms with sales of \$500,000-\$999,999, dropping to 2.5 percent for farms with sales of \$5 million or more.

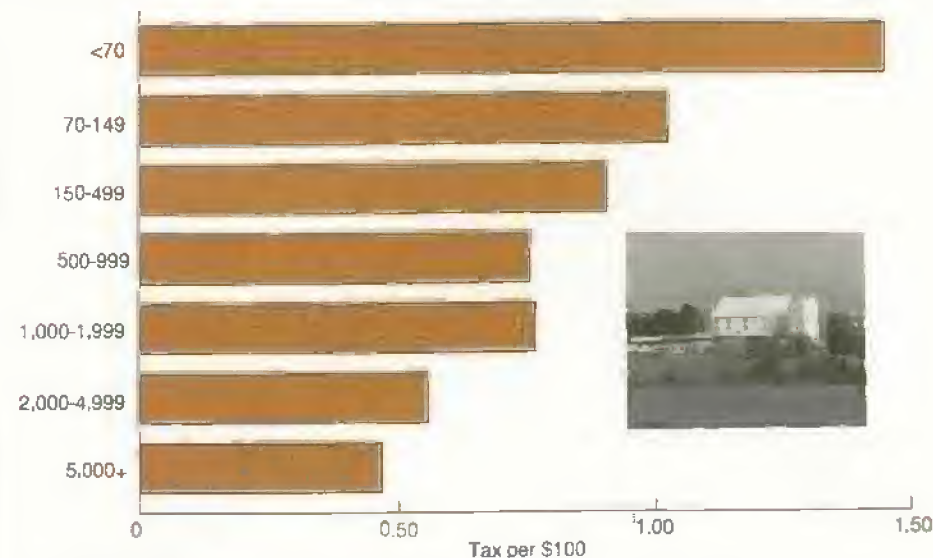
National agricultural real estate taxes have averaged about \$5 billion annually in recent years. In the heavily urbanized Northeast, agricultural returns to farmland, as measured by cash rents, are completely absorbed by real property taxes. On the other hand, farmland in the Corn Belt—where farmland prices and assessed values are influenced far less by urban pressures—nets a return of 4-7 percent after taxes. For the U.S. overall, about one-fifth of the return to agricultural land goes to real property taxes, but the proportions vary widely by state.

Preferential Rates Prevail for Farms

In theory, an *ad valorem* real property tax should be directly related to the value of the property holding. However, the ERS study shows that for nearly every property value class in the survey be-

Higher Valued Ag Property Is Taxed at Lower Rates on Average

Value of holdings (\$1,000)



Source: 1988 Agricultural Economics and Land Ownership Survey, Bureau of the Census. 1988 data.

tween smallest and largest (under \$70,000 and over \$5 million), smaller valued holdings pay higher tax rates.

For farmland, the notable deviation from *ad valorem* uniformity results from assessing agricultural land at its value in agricultural use rather than at a higher market value from another potential use. Prices of farmland in the presence of urban development are high relative to their return from farming. In the Northeast, for example, urban pressures strongly influence prices, and therefore the assessed values, for farmland.

Assessment at agricultural use value is a subsidy for maintaining the current agricultural use. Maryland in 1956 was the first state to adopt use-value legislation, and most states had adopted similar laws by 1980 both to provide farmers with tax relief and to encourage them to keep farmland in agricultural use.

Preferential (use-value) assessment of farmland is now applied in all states, in a variety of forms. Nineteen states assess land at its value in agriculture with no penalty if the land is converted to a non-qualifying (nonagricultural) use. The remaining 31 states have preferential assessment, but they penalize landowners if the land is converted to nonagricultural use. Of these states, 27 defer taxation at full-value assessment and then impose a rollback penalty when the land is converted; and six states allow landowners to enter into an agreement with a state or local governing body to restrict the use of the land in exchange for tax concessions.

On December 31, 1988 there were 52 state programs for preferential assessment. New Hampshire and Pennsylvania each have two, one based on preferential property tax assessment with deferred taxation and the other on restrictive agreements.

In addition to preferential assessment, some states have also adopted "circuit breaker" tax credit laws and provide refunds or deductions on income tax, which can greatly alter the final amount of the property tax. While preferential assessment of farmland will be reflected in the tax rate and tax bill a farmer re-

ceives, and reported in the Census survey, any refunds or deductions will not be reflected in the results here.

Do preferential tax assessment procedures influence the rates of taxation? Of the 19 states using pure preferential assessment (no rollback), 9 had tax rates per \$100 of value below the midpoint rate (69 cents), and 10 had rates above the midpoint—leaving the relation unclear between preferential assessment and tax rates of the states.

How Uneven Are Farmland Tax Rates?

Differential tax rates can also be examined by looking at the proportion of taxes paid to value of the land held. In the Census survey the 64 percent of farmland owners who valued their holdings at less than \$150,000 held 20 percent of the value of land and buildings, and paid 27 percent of the real property taxes. In comparison, farmland owners who estimated their holdings at \$2 million or more held 18 percent of the value of land and buildings, and paid 10 percent of the real property taxes.

The Census survey data also showed that property tax per acre is inversely related to the acreage of the holding—which should follow from the generally higher value per acre of the small tracts. Holdings of 1-9 acres, which may include vegetable tracts, substantial buildings, and urban fringe locations, support high per-acre values, and consequently, high tax rates per acre. Holdings of 2,000 or more acres, which may contain arid rangeland or cropland, support low values and, accordingly, low per-acre taxes. However, the different tax rates per acre associated with landholding size do not explain the inverse relationship between the tax rate and the value of holdings.

The discrepancy is even more dramatic among the largest landholders. In most states, the share of value in the class of largest owners (\$5 million or more) exceeded the share of taxes paid by that class of owners. Nationally, the class of owners with holdings of \$5 million or more held 9.4 percent of farmland value and paid 5.2 percent of taxes. However,

About the Data

The data used for this study were from the Census's special Agricultural Economics and Land Ownership Survey (AELOS) conducted in 1988. AELOS tax estimates are derived from a sample of responses by owners of Census-defined land in farms. Owners report for their farmland the taxes paid, acreage, and estimated market value. The 1988 AELOS omitted horticultural and abnormal farms and some farms whose ownership changed in 1988. The result was a sample slightly smaller than the Census of Agriculture.

this difference may not be statistically significant.

Both operator and nonoperator owners of farmland have substantial holdings and pay substantial taxes. Operators hold 62 percent of land value and pay 58 percent of the property taxes on agricultural land; nonoperators hold 38 percent of land value and pay 42 percent of taxes.

At 92 cents per \$100 of market value, the tax rate of nonoperator owners was about 16 percent greater than the rates of owner-operators. Nonoperators paid higher taxes per \$100 of market value than did farm operators in 24 states, lower taxes per \$100 in 24 states, and exactly the same in 2 states—an even split. In 31 states, the rate of taxes per \$100 for farm operators and nonoperators differed by more than 10 percent.

In most regions, the pattern of tax rate differences between operators and nonoperators was mixed. For example, in the South, nonoperators had higher tax rates in all states except Kentucky, Louisiana, and Arkansas. However, in the Northeast, farm operators paid higher rates than did nonoperators in every state but Maine and Vermont.

Residence on the farm is also apparently associated with higher taxes per acre and somewhat higher taxes per \$100 of

Agricultural Economy

value. The difference in tax rates per acre may reflect the presence of buildings on farms with residents and the lack of buildings on nonresident-owned land. This difference is even more pronounced when operators are distinguished from nonoperators, with nonoperators bearing the higher tax rate per acre.

The ERS study examined several factors as potential causes of the uneven distribution of the property tax. A "state effect" could help explain the distribution of the tax at the national level if most large landholdings were in states with low rates of taxation or if most small landholdings were in states with high rates of taxation.

A calculation of the national tax distribution excluding California and Florida—the two states which contain a major share of large (high-value) landholdings and have moderately low tax rates—shows small landholders pay a higher tax rate. And in every state, the share of taxes paid by the small holdings class is greater than its share of farmland and building value.

One plausible explanation for the relatively light taxation of large landholdings may be due to a "locality effect" akin to the "state effect." A locality effect could result if large holdings (in value terms) are concentrated in counties or towns which, by lower assessments or rates, effectively tax less than jurisdictions with small holdings. Even though the systematic location of high-valued properties in low-tax jurisdictions within a state seems unlikely, the AELOS data used in the ERS study cannot answer this question.

Another plausible explanation: what the International Association of Assessing Officers terms "appraisal bias" or "assessment bias" could be resulting in the relatively light taxation of large landholdings. Property appraisal bias, of course, is not limited to farms and rural areas.

[Gene Wunderlich (202) 219-0427 and E. Douglas Beach (202) 219-0443] **AO**

Field Crops Overview

Domestic Outlook: Spring Crop Acreage Forecasts for 1994/95

USDA's first state-by-state acreage forecasts for 1994/95's spring field crops were released in the June 30 Acreage report. The estimates were based on surveys by USDA's National Agricultural Statistics Service between May 31 and June 15, and included acreage already planted plus any acreage respondents indicated they still intend to plant.

The acreage estimates were made before torrential rains and floods hit the Southeast. USDA has expanded its August 1 survey samples this year in the flooded areas of Georgia, Alabama, and Florida and is including new questions to help determine losses from the July floods in those states. The survey results will be released in the August 11 Crop Production report.

Planted area for all classes of wheat in 1994/95 is down over 2 percent from last year, while harvested area is expected down 1 percent. However, harvested acreage for durum wheat is forecast to rise nearly 29 percent, due in large part to a small 1993/94 crop and relatively high prices at planting.

U.S. Field Crops—Market Outlook at a Glance

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	—Mil. acres—		Bu./acre	—	—	Mil. bu	—	—	\$/bu
Wheat									
1993/94	72.2	62.6	38.3	2,402	3,036	1,240	1,225	571	3.26
1994/95	70.5	62.0	39.0	2,419	3,071	1,227	1,175	669	2.65-3.25
Corn									
1993/94	73.3	63.0	100.7	6,344	8,482	6,355	1,250	877	2.50-2.60
1994/95	78.8	71.8	125.4	9,000	9,882	6,910	1,425	1,547	2.00-2.40
Sorghum									
1993/94	10.5	9.5	59.9	568	743	475	190	70	2.30-2.40
1994/95	10.2	9.3	66.2	615	685	408	175	102	1.80-2.20
Barley									
1993/94	7.8	6.8	58.9	400	621	418	65	138	1.99
1994/95	7.3	6.8	59.3	406	599	400	60	139	1.85-2.25
Oats									
1993/94	7.9	3.8	54.4	206	424	316	3	106	1.36
1994/95	6.7	4.1	60.1	248	429	300	2	127	1.00-1.40
Soybeans									
1993/94	59.4	56.4	32.0	1,809	2,106	1,356	580	170	6.40
1994/95	61.8	60.7	35.5	2,155	2,330	1,405	625	300	5.10-6.10
			Lb./acre	—	—	Mil. cwt (rough equiv.)	—	—	\$/cwt
Rice									
1993/94	2.92	2.83	5,510	156.1	202.6	98.7	61.0	22.9	8.25-8.45
1994/95	3.36	3.30	5,697	189.0	218.9	101.0	83.0	34.9	5.00-6.50
						Mil. bales	—	—	c/lb
Cotton									
1993/94	13.4	12.8	606	16.2	20.8	10.4	7.0	3.5	58.00*
1994/95	14.1	13.0	665	18.0	21.5	10.8	7.3	3.7	"

Based on July 12, 1994 World Agricultural Supply and Demand Estimates. U.S. marketing years for exports.

*Weighted-average price for August-March, not a season average. **USDA is prohibited from publishing cotton price projections. See table 17 for complete definition of terms.

The forecast for 1994/95 all-wheat production is slightly higher than in June, due to a higher forecast yield and a slight increase in expected harvested area. Forecasts for 1994/95 ending stocks rose to 669 million bushels, up 17 percent from a year earlier. The 1994/95 average farm price for wheat is projected to be \$2.65-\$3.25 a bushel, down from \$3.26 for 1993/94.

Harvest of winter wheat, which was planted last fall, is proceeding ahead of schedule, with initial reports indicating good quality. Harvest was nearly 80 percent complete as of July 17, compared with 70 percent on average. Scattered elevator tests of hard red winter wheat are showing below-average test weights but high-protein content in Oklahoma. In Kansas, the tests show higher than average weights and good protein content. Also, good to excellent quality and yields have been reported in the soft red winter wheat producing states.

The spring wheat and durum crops were mostly in good condition as of July 17. Price premiums for these wheat classes have been falling over the last few months, due to the anticipated larger supply of high-protein wheat this fall.

Area planted to corn is forecast to rise over 7 percent from 1993/94. However, harvested area for 1994/95 is projected up 14 percent from last year when flooding caused abnormally high abandonment. Two-thirds of the increase in harvested area is forecast to occur in Illinois, Iowa, Minnesota, Missouri, and South Dakota which suffered considerable losses to last year's flood.

Total corn production is projected at 9 billion bushels, up 42 percent from 1993/94. Projections for the 1994 corn crop were raised slightly from June, due to a higher expected yield and a small increase in forecast area harvested. Weather conditions over much of the growing region support an above-trend yield.

The condition of the crop was rated mostly good to excellent as of July 17, a considerable improvement over the flood-damaged crop of a year earlier.

Ethanol's Role In EPA's Reformulated Gasoline Program

On June 30, the Environmental Protection Agency (EPA) announced its rules concerning the requirement for use of "renewable" fuels in the Reformulated Gasoline (RFG) Program, which takes effect January 1, 1995. The RFG program is a result of the 1990 Clean Air Act, which requires cities that fail to meet certain air quality standards to sell only reformulated gasolines.

The rule requires that 30 percent of fuels used to make reformulated gasolines come from renewable sources by 1996, thus assuring inclusion of ethanol in the program. This requirement will be phased in due to concerns about the industry's immediate ability to supply ethanol for use in reformulated gasoline. Renewable fuel is mandated to account for 15 percent of reformulated gasoline in 1995.

Use of reformulated gasoline is expected to reduce ozone pollution in auto emissions. Nine major cities are currently required by law to adhere to these rules, and 13 states and the District of Columbia have elected to join the program voluntarily. These areas are expected to account for about one-third of total gasoline use in the U.S. in 1995. In addition, as many as 90 more U.S. cities could choose to adopt the RFG program as a way of meeting ozone pollution standards.

Enforcement of the renewable fuels provision is likely to result in a substantial increase in ethanol production over the next several years. Ethanol (or grain alcohol), currently produced from grains or other starch sources, can be combined directly with gasoline, or made into an ether, ETBE, which is blended with gasoline.

The EPA rule was released in the midst of a debate between those favoring increased use of ethanol, led by officials from farm states and corn industry organizations, and those opposed to greater ethanol use, led by officials from oil-producing states and the petroleum industry. Petroleum-based MTBE is ethanol's main competitor in oxygenated fuels.

In addition, some environmental groups also oppose the renewable fuel mandate, maintaining that increased use of ethanol would reduce air quality by increasing ozone levels during the summer. The EPA has firmly maintained that all environmental benefits of reformulated gasoline will be met or exceeded by the promulgation of this rule. However, the petroleum industry filed two suits in Federal court on July 13 to overturn the EPA rules on renewable fuels.

In the U.S., ethanol is produced primarily from corn. A 1994 USDA study estimated that a 30-percent mandate for renewable fuel content would increase demand for renewable fuels by about 500 million gallons annually, increasing demand for corn by at least 200 million bushels in 1995/96. Current ethanol output in the U.S. is about 1.2 billion gallons a year.

[Stephanie Mercier (202) 219-0751]

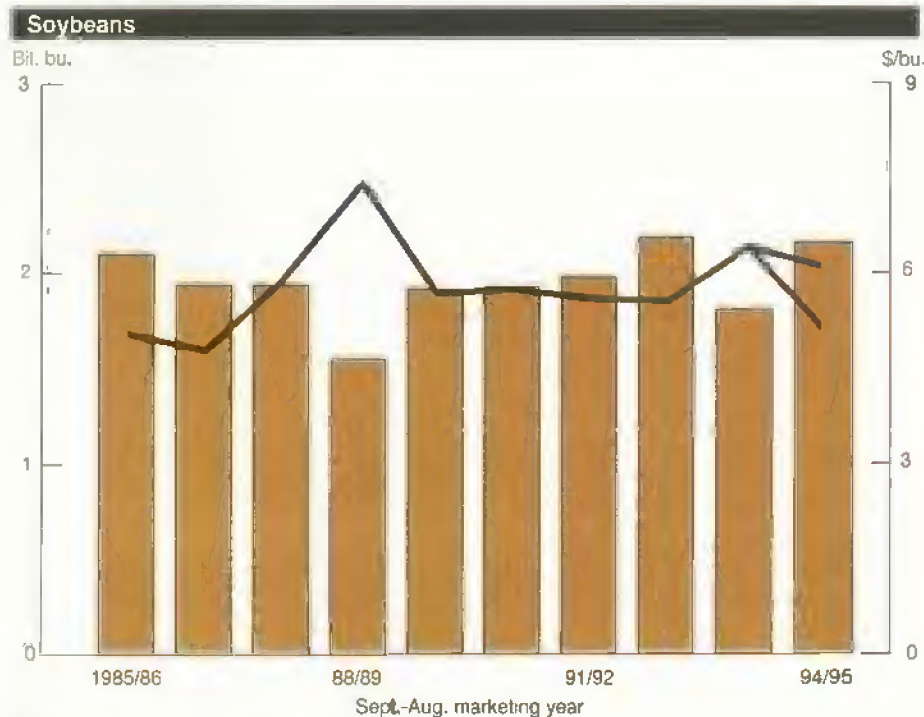
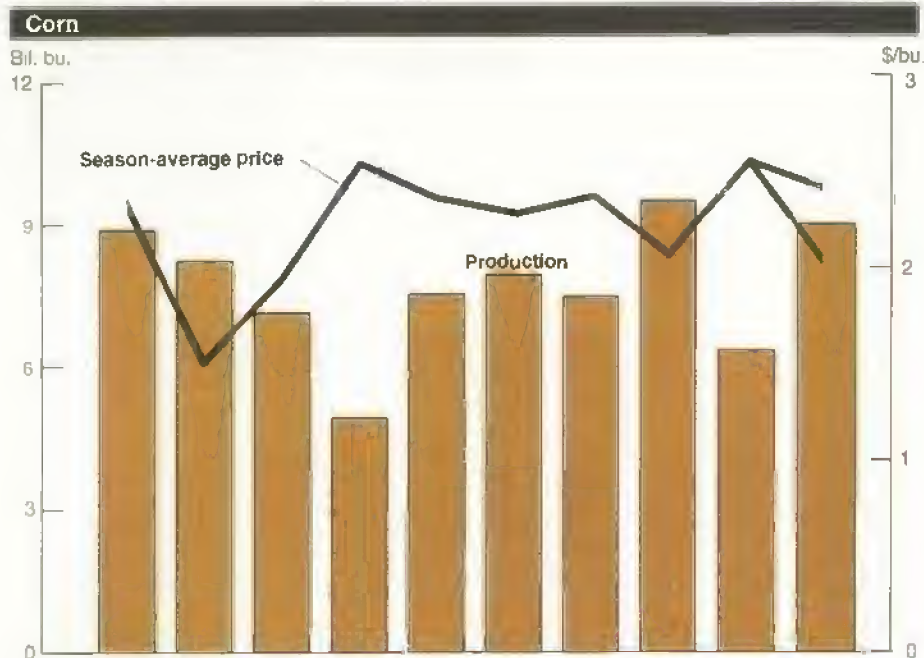
Projected ending stocks for 1994/95, at 1.5 billion bushels, are 76 percent above forecast 1993/94 ending stocks. As a result, corn prices are expected to average lower this year. The forecast range for the 1994/95 season-average price is \$2-

\$2.40 per bushel, down from \$2.50-\$2.60 expected for 1993/94.

Sorghum plantings are forecast down 2.8 percent from a last year. However, crop conditions have been favorable, and with

Agricultural Economy

Production Rebounds for U.S. Corn and Soybeans in 1994/95



1993/94 estimate. 1994/95 forecast.

higher projected yields, production is expected to be larger than last year. Crop conditions were fair to good in most growing regions. Barley harvested area is forecast to increase less than 1 percent from last year, and with a slightly lower

projected yield, production is expected to be up only marginally. Oats area harvested for grain is forecast to rise 8 percent from last year, and with higher projected yields, production is expected to rise 20 percent.

Soybean planted area is forecast to rise 4 percent from 1993/94. Harvested area is forecast to rise 7.6 percent from last year's flood-damaged crop, more than offsetting an almost 30-percent decline from last year in program crop area (mostly corn) flexed to soybeans. The majority of the increase in harvested area is expected to occur in the states hardest hit by the 1993 summer floods.

Estimates for soybean planted area rose over 600,000 acres from estimates in March due to excellent weather during the planting season in several states. Soybean production in 1994/95 is projected to be 2.16 billion bushels, 19 percent above last year. Ending stocks are expected to rebound to 300 million bushels, up 76 percent from 1993/94.

Soybean crop conditions were rated mostly good as of July 17, substantially better than a year earlier. The season-average price is forecast to be \$5.10 to \$6.10, down from \$6.40 this season.

The 1994/95 cotton crop is forecast up 11 percent from last year. Planted area for all cotton rose 4.7 percent from last year, even though the ARP requirement was raised to 11 percent from 7.5. Higher prices at planting due to large domestic and foreign demand were responsible for the larger area. Production is forecast to reach 18 million bales.

The 1994 cotton crop is progressing ahead of schedule. As of July 17, 89 percent of the U.S. crop was squaring—the first stage in fruit formation—compared with 85 percent in 1993 and a 5-year average of 81 percent. In addition, 47 percent of the crop was setting bolls, compared with 39 percent for last year and 37 percent for the 5-year average.

As of mid-July, 73 percent of the crop was rated good or excellent, compared with 57 percent last year. Although some acreage has been affected by flooding in Alabama and Georgia, these early-season conditions support favorable crop prospects.

Cotton mills used 951,000 bales in May, up from 880,000 in April and the 865,000 bales used in May 1993. In response to rising demand, domestic mills used over 43,000 bales of cotton a day in May, the largest average daily use since 1950/51.

Similarly, the seasonally adjusted annual rates (SAAR) for cotton use have risen. Although through May the SAAR had averaged 10.3 million bales, it has increased for 6 consecutive months from 9.9 million bales in November 1993 to nearly 10.8 million in May. Based on these mill consumption patterns, estimates for cotton use in 1993/94 and in 1994/95 were raised to 10.4 million and 10.6 million bales.

Near-record rice production is expected in 1994/95. Area planted to rice is up 15 percent from 1993/94, due largely to high prices at planting caused by Japan's large imports, and the reduction of the ARP requirement from 5 to 0 percent. As of July 17, the rice crop was mostly in good condition, a considerable improvement over a year earlier. Production for 1994 is projected at 188 million cwt, 20 percent above last year.

Expectations for 1994/95 have changed considerably in recent months. U.S. ending stocks are projected up 52 percent from 1993/94, as only slight gains in total use are expected. The 1994/95 season-average farm price is projected to be \$5-\$6.50 per cwt, well below this season's \$8.25-\$8.45.

[Stephanie Mercier (202) 219-0751]

Global Market: Outlook for 1994/95

This issue presents USDA's first detailed projections for 1994/95 oilseeds, cotton, and rice.

World rice exports are projected down in calendar 1995 because of Japan's expected lower imports. However, the world rice export forecast for 1995, 15 million tons, is second only to last season's record.

World rice production is likely to be up only 200,000 tons in 1994/95, as larger crops in Japan, Korea, the U.S., Thailand, and Burma barely offset declines in China, Vietnam, Pakistan, India, Brazil, and Indonesia.

China's economic reforms continue to encourage farmers to shift land away from growing the lower quality early rice crop either to production of higher quality rice varieties, fruits, or vegetables, or to non-agricultural uses. China's 1994/95 output is projected at 121.5 million tons, down 2.9 million tons from the previous season. Projected rice production in Vietnam and in Pakistan is still large at 14.9 and 3.5 million tons, but down from last year's record levels.

Japan's production is projected at 9.9 million tons, just over its 1992/93 outturn and up 37.5 percent from last year's weather-reduced crop. Burma's projected 9-million-ton outturn reflects continued expansion of second crop area for export. Thailand's projected 13 million tons, up 6.6 percent from the previous season, reflects a return to normal weather. And U.S. producers expanded rice area sharply for the 1994/95 season in response to high 1993/94 prices, and are expecting a record crop.

Global imports are projected down 3.2 percent in calendar 1995. Japan's imports are expected to drop back from this year's 2.3 million tons to only about 400,000 tons—the minimum requirement under the GATT—offsetting import gains in Indonesia, Brazil, and other countries.

Indonesia, a net exporter in calendar 1993 and 1994, is expected to import rice in calendar 1995 as its output is reduced by drought. Brazil's 1994/95 production is expected to decline as yields, particularly in the northeast, return to normal from last year's level. However, Brazil's low stocks and strong demand for rice suggest higher imports, projected up 150,000 tons to 1 million in calendar 1995. Import demand in West African countries, off in calendar 1994 because of currency devaluation, is likely to return to more normal levels in 1995.

Despite lower import demand in Japan, U.S. exports are projected to rise to 2.7 million tons in calendar 1995, a gain of 100,000 tons. Because of large U.S. supplies, the U.S. is expected to be very price competitive with Thailand in 1995. By early this fall, the price premium for U.S. over Thai rice in the high-quality rice market is expected to narrow significantly. And the U.S. world market share is expected to rise from 16.8 percent this year to 18 percent in calendar 1995.

Prices in the market for low-quality rice—which has a higher percentage of broken kernels than high-quality rice and receives less milling and sorting—may tend to firm during the year. Increased demand in Indonesia, Brazil, and Africa (prime markets for lower quality rice), and the decline in marketable low-quality supplies in China, are primary factors expected to push prices higher. Vietnam, Pakistan, Thailand, and Burma are expected to compete for the low-quality market.

Below-trend demand growth for soybeans and soy products reflects stronger export competition from other oilseeds and feed grains. World production and trade of all oilseeds, except peanuts, in 1994/95 are expected to be higher than last year.

World soybean production is projected to increase 8 percent, to 124.6 million tons. The U.S. accounts for most of the gain in output, with 1994/95 production forecast up 19 percent from last year's flood-damaged crops.

Canada's much larger rapeseed area, and gains in European Union (EU) plantings of industrial-use rapeseed, are expected to push *global rapeseed* outturn to 29.5 million tons, a 10-percent advance from 1993/94. Relative prices favoring canola caused the shift in Canada's area from wheat and barley to rapeseed.

World sunflowerseed production also is projected up 10 percent to 22.9 million tons, while cottonseed rises 2.6 million to 31.8 million. Production of palm oil is projected at 14.1 million tons compared with 13.7 million in 1993/94. The 1-percent reduction anticipated in world

Agricultural Economy

World Wheat Production and Stocks To Fall

	Year ¹	Production	Exports ²	Consumption ³	Carryover
Million tons					
Wheat	1993/94	560.6	98.0	564.7	143.2
	1994/95	546.1	97.3	560.7	128.6
Corn	1993/94	469.7	55.8	503.9	71.8
	1994/95	535.0	58.5	525.7	81.1
Barley	1993/94	169.1	17.2	167.7	38.1
	1994/95	167.5	15.3	169.6	36.0
Rice	1993/94	346.5	15.5	355.2	45.3
	1994/95	346.7	15.0	356.8	35.2
Oilseeds	1993/94	225.0	36.7	185.2	19.6
	1994/95	241.5	38.1	193.0	24.4
Soybeans	1993/94	115.5	27.8	98.8	17.0
	1994/95	124.6	28.7	101.4	20.3
Soybean meal	1993/94	78.2	28.2	78.0	3.8
	1994/95	80.3	28.5	79.8	3.8
Soybean oil	1993/94	17.8	4.3	18.1	1.4
	1994/95	18.4	4.2	18.3	1.5
Million bales					
Cotton	1993/94	76.0	26.9	84.7	29.7
	1994/95	83.9	28.0	86.3	27.3

¹ Marketing years are: wheat, July-June, coarse grains, October-September; oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October-September trade; cotton, August-July. ² Rice trade is for the second calendar year. All trade now has been inflated to include trade among the countries of the former Soviet Union. In addition, rice trade, like other grain trade, excludes intra-EC trade. Oilseed and cotton trade, however, still include intra-EC trade. ³ Crush only for soybeans and oilseeds.

peanut output reflects more normal yields expected in China after its 1993/94 record.

Slight gains are projected in global soybean and soybean meal trade in 1994/95, while soybean oil trade drops marginally. Except for the countries of Eastern Europe, no growth is anticipated in meal consumption in importer countries. Meal use is expected to stabilize in the EU and to decline in the former Soviet Union (FSU), accounting for much of the slowdown in import demand.

U.S. exports of soybeans and soybean meal are projected up 8 and 3 percent, to 17 and 4.6 million tons. The lower competitor supplies expected early in the coming season, following the strong South American exports at the end of the 1993/94 season, are expected to benefit U.S. exports.

But export competition, particularly in soybean products, may strengthen later in 1994/95 because soybean output in South America is projected to exceed this year's record slightly. All the production gain reflects larger expected area in Argentina. Brazil's output is projected to drop as yields return to more normal levels after this year's record.

Global 1994/95 cotton import demand is projected up 4 percent. Higher cotton demand this season in the EU, Korea, and Southeast Asia is expected to be nearly offset by smaller demand in Latin America and Japan.

World cotton production is projected up 10.3 percent, as area rises in China and India and cotton yields in China and Pakistan return to normal after 2 years of pest infestation. But world consumption is also forecast to rise 2 percent, reflecting expectations of global economic

recovery. And ending stocks are expected to continue falling in 1994/95, although less than in 1993/94.

China's production is projected at 19 million bales in 1994/95, a 10-percent gain from the previous year. Pakistan's production is expected to rise to 7.3 million bales, up 21 percent. India's crop will be up 1 million bales to 10.4 million, and the French-speaking countries of West Africa likely also will increase production.

Production gains are currently projected for the Southern Hemisphere, although Australia, Argentina, Paraguay, and Brazil do not plant for several months yet. But Latin American cotton producers such as Mexico and Brazil, which were importers in recent seasons, are expected to consume more of their own production, reducing import needs.

As cotton production and consumption strengthen in 1994/95, shipments from most of the major exporters, except Uzbekistan, are forecast to rise. Uzbekistan cut area 127,000 hectares, and production is projected down 300,000 bales in 1994/95, to 5.9 million bales. Uzbekistan's exports are projected down 500,000 bales, leaving room for other exporters to gain.

Global Grain Trade Report

As FSU dominance in world grain markets wanes, developing countries are playing a more prominent role as grain importers. Meanwhile, the U.S. faces sharp competition from foreign grain exporters in 1994/95. **World Ag & Trade, page 16.**

Australia, Pakistan, Argentina, Paraguay, the French-speaking West African countries, and the U.S. are likely to export more cotton than in the previous season. U.S. exports are expected to be 7.3 million bales, up from 7 million bales this season. Despite gains among some competitors, the U.S. is projected to maintain its 26-percent market share of world cotton trade in 1994/95.

Weak demand continues to constrain projected world wheat trade. Falling FSU consumption is expected to keep global demand low in 1994/95, despite reduced FSU production. Exports from the EU, Australia, and the U.S. are projected to drop. U.S. exports are projected at 32 million tons, down 1 million from 1993/94.

World corn exports are projected up 5 percent in 1994/95. Although continued decline is expected in FSU consumption and imports, increased imports elsewhere are expected to raise global trade. NAFTA is projected to raise Mexico's corn imports from the 1993/94 level. Turkey's imports are also projected up, reflecting a smaller expected domestic output. And with the larger U.S. corn crop, more competitive U.S. prices are expected to boost U.S. exports to 35.5 million tons from 31.5 million this season.

[Carol Whitton (202) 219-0825]

For further information, contact: Sara Schwartz, world wheat; Randy Schnepf, world rice; Ed Allen, domestic wheat; Janet Livezey, domestic rice; Pete Riley, world feed grains; Tom Tice and Allen Baker, domestic feed grains; Nancy Morgan and Jaime Castaneda, world oilseeds; Scott Sanford and George Douvelis, domestic oilseeds; Steve MacDonald, world cotton; Bob Skinner and Les Meyer, domestic cotton. World information (202) 219-0820; domestic (202) 219-0840. **AO**

The Conservation Reserve Program

What are its impacts on farm and rural income and employment?

... In the September issue of **Agricultural Outlook**

Specialty Crops Overview

USDA 1994 forecasts for area harvested for fall potatoes were released in the July Crop Production. More area harvested for 1994 could mean higher production and lower prices for the 1994/95 marketing season. Fresh-market vegetables acreage is estimated up for the summer months. Contract area planted for processing vegetables is up, leading the way for higher 1994 production.

U.S. sugar output is forecast up in fiscal 1995, with the increase coming from expanded sugarbeet production. U.S. flue-cured tobacco production is forecast lower in 1994, and weak tobacco demand is expected. USDA forecasts for 1994 burley tobacco production will be released in December.

Planted area under contract for processing snap beans, green peas, and sweet corn is higher this summer. The increase was expected following last year's smaller crop and higher prices. Inventories of frozen beans, peas, and corn at the beginning of this season were down substantially from last year, and manufacturers increased contract area 14 percent to replenish stocks. Although canned product inventories are unknown, the 12-percent increase in contract area indicated substantially lower stocks to begin the season.

Crop conditions in the Midwest and Northwest states are mostly favorable for meeting targeted production of canned and frozen beans, peas, and corn. Minnesota and Wisconsin, which produce most of the processed green peas, experienced much better growing weather this spring, compared with last spring's cool, wet conditions. Sweet corn and green bean yields are also expected to be higher this season because of generally better weather in the upper Midwest and Northwest states.

Estimated production of processing tomatoes remains at about 11 million tons. This is the second consecutive annual increase, and returns production to the 1991 level. The larger expected production of canned tomatoes, sauces, paste, and ketchup will keep exports on the rise. The value of processed tomato exports increased from \$75 million in 1990 to \$177 million in 1993, and appears on the way to \$200 million in 1994.

Fresh-market vegetable supplies are expected up this summer. Harvested acreage of selected fresh-market vegetables and melons is estimated at 590,990 acres, up 1 percent from last summer. The 1994 summer acreage estimates signal higher supplies of carrots, sweet corn, lettuce, onions, and melons, with prices dipping in response. Acreage changes were insignificant for snap beans, broccoli, cauliflower, eggplant, bell peppers, and tomatoes. Acreage was down for cabbage and cucumbers.

Summer storage onions, harvested this summer for storage through winter and spring, are expected to be plentiful. Area harvested in Colorado, Idaho, Oregon, and Washington is estimated up 10 percent, and accounts for 70 percent of the total area. Cool, wet weather during the 1993 growing season held back production. However, good conditions this year suggest that the summer storage crop could come in 15 percent higher than last season's. Onion prices are likely to be pressured downward after the fall harvest and into the winter.

Fall potato acreage estimates indicate potential for much higher production. USDA's July Crop Production forecasts a 5-percent increase in area of fall potatoes harvested in 1994. In Idaho and Washington, which account for about half, the harvested area is up 4 percent over fall 1993. North Dakota growers planted fewer acres this year, but because of acreage abandonment in 1993 could harvest more area than last year. With flooding in the Red River Valley again this summer, acreage losses could mount.

Agricultural Economy

Noncitrus Fruit Exports Headed for New Record

U.S. exports of apples, grapes, pears, and other noncitrus fruits are booming in 1994. Markets in Mexico and several Asian countries led the way during the first 4 months of 1994. Canadian demand remained strong, although Canada's share of U.S. foreign sales shrank. Thanks to reduced trade barriers, improving economic conditions, and plentiful supplies of export-quality fruit, total U.S. noncitrus fruit exports in 1994 could be 25-30 percent over last year, a new record.

The North American Free Trade Agreement (NAFTA), implemented January 1, 1994, reduced Mexico's tariffs on imports of fresh apples, pears, grapes, strawberries, and other fruits from the U.S. NAFTA also has increased Mexico's demand for U.S. fruit exports, but even before approval of NAFTA, U.S. exporters had made significant progress in easing trade restrictions and establishing market channels in Mexico.

Through April 1994, the U.S. raised its total apple exports by 36 percent but by nearly twice that percentage to Mexico. Apple exports were up 45 percent to Hong Kong, Thailand, Indonesia, Malaysia, and Singapore, and up 13 percent to Taiwan, the second-largest market. Washington State typically provides a large share of U.S. apple exports, and its 1993 crop was well above average in quality and quantity.

Mexico became a fast-growing market for U.S. apples after removing its import licensing requirement in 1991. U.S. apple exports to Mexico increased from 48 million pounds in 1991 to 239 million in 1993, with Mexico becoming the top foreign apple market. NAFTA's impact on apples thus far is

small, because the tariff reduction was only from 20 to 18 percent.

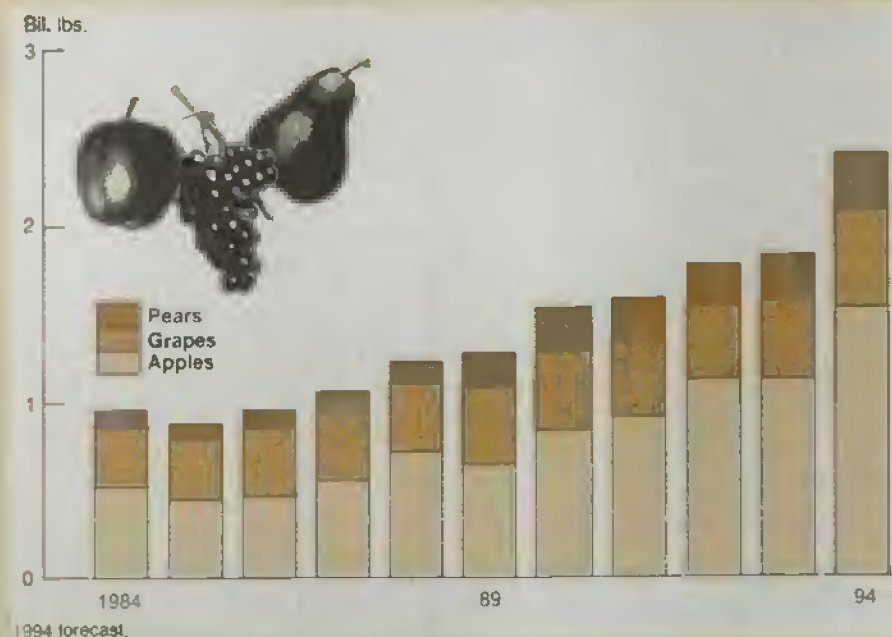
U.S. pear exports were up 26 percent through April 1994, with exports to Mexico rising 70 percent from last year. A large U.S. crop and low prices were major factors in the increase. But both pear and grape exports to Mexico have been boosted by NAFTA and by Mexico's joining the General Agreement on Tariffs and Trade (GATT).

The first year of NAFTA, Mexico reduced its tariff from 15 percent to 13 percent on pears and eliminated the tariff on U.S. grapes, except during June 1 to October 15. A surge of grape exports to Mexico between January and April 1994 pushed total grape exports up nearly 50 percent during a period when U.S. grape supplies are seasonally low. Elimination of import licensing following Mexico's entry into GATT helped raise Mexico's imports of U.S. pears from 7 million pounds in 1988 to 85 million in 1993. U.S. grape exports to Mexico tripled to 20 million pounds when Mexico loosened import restrictions in 1993.

Canada remains a major market for U.S. fruit, despite the rapid growth of shipments to other countries and Canada's declining share of U.S. fruit exports. In 1993, a third of U.S. fresh noncitrus fruit exports went to Canada, down from nearly 60 percent in 1984. Although Mexico has become the major export market for U.S. apples and pears, Canada remains the top market for U.S. peaches, nectarines, grapes, and strawberries.

[Diane Bertelsen (202) 219-0887]

U.S. Exports of Major Summer Fruits Are Record High



Last year's fall production suffered from wet weather, and prices were much higher because supplies of large, high-quality potatoes were limited. If favorable weather keeps yields near or above average, the 1994 fall potato crop could be record high. The first estimate of U.S. fall potato production will be released in early November.

Potato growers, who typically increase acreage following a year of high prices, are likely to see the market put heavy downward pressure on prices. Retail prices are likely to follow the path of grower prices. The fall harvest begins in September and reaches full swing in October. Until then, the summer crop will continue to bring good returns on the fresh market. Frozen potatoes in cold storage currently are adequate to keep retail potato prices from rising faster than overall food prices this summer.

U.S. sugar production is forecast to rise in 1995, continuing the long-term upward trend. U.S. sugar production for fiscal 1995 (October 1994–September 1995) is forecast at 7.7 million tons, up 2.5 percent from estimated production for 1994.

Beet sugar production in 1995 is forecast 7.4 percent higher than in 1994, more than offsetting the forecast 3.2-percent drop in cane sugar output. While both beet and cane sugar production have risen over the past 10 years, beet sugar output has increased more than 2 1/2 times as rapidly.

Sugarbeet growers have expanded acreage, especially in upper Midwest states such as Michigan, Minnesota, and North Dakota. Genetic improvements have boosted the sugar content of beets, and new beet sugar processing technology has increased the amount of sugar recovered from the sugarbeet plant.

U.S. cane sugar production has increased about 15 percent over the past 10 years, with expanded production in Florida, Louisiana, and Texas exceeding declining production in Hawaii. Hawaii's out-

put has declined almost yearly from 1 million tons in 1985 to 560,000 tons forecast for fiscal 1995. While only one sugarcane mill in Hawaii has shut down since 1985, three of the remaining 11 mills have plans to shut down over the next 2 years.

U.S. consumption of caloric sweeteners, largely in the form of refined sugar and corn syrups, is expected to continue a long-term upward trend in 1994. The forecast sees consumers using nearly 65 pounds of refined sugar per person in 1994, about half a pound above last year and up about 5 pounds since 1986. Use of corn sweeteners—high fructose corn syrup (HFCS), glucose syrup, and dextrose—is forecast at over 83 pounds in 1994, up 2 percent from 1993 and 22 percent over 1986. Consumption of corn sweetener, especially HFCS, grew rapidly during the early 1980's, displacing refined sugar in products such as sweetened beverages and processed foods.

On July 6, the USDA announced that domestic sugar marketing allotments will not be established during fiscal year 1994. The announcement was in accordance with laws which require quarterly re-estimates of sugar consumption, production, and imports to determine if allotments are necessary. The next quarterly decision on the implementation of allotments will be before the beginning of fiscal 1995 (October 1, 1994). On July 1, a beet sugar processor forfeited 8,150 tons of refined beet sugar to the Commodity Credit Corporation (CCC), with a value of \$3.9 million in lieu of repayment under the commodity loan program. The last time sugar was forfeited to the CCC was in 1985.

U.S. flue-cured tobacco production is forecast lower in 1994, and continued weak tobacco demand is expected. USDA forecasts production of flue-cured tobacco—which accounts for about 53 percent of total U.S. output—at 827 million pounds in 1994, 7 percent lower than in 1993.

Burley production (40 percent of total output) is also expected lower in 1994. Burley growers indicated they would plant 10 percent less acreage, and with average yields, production could fall about 7 percent from 1993/94 marketings. The marketing year begins July 1 for flue-cured tobacco and October 1 for burley.

Grower prices for the 1994/95 marketing season are expected only slightly higher than last year, despite higher price supports and legislation that limits foreign tobacco use to 25 percent of the total used to manufacture U.S. cigarettes. Despite smaller 1994 crops, the substantially larger carryover stock is expected to keep downward pressure on grower returns.

Uncertainty about Federal cigarette excise taxes and a desire by U.S. manufacturers to use cheaper, imported leaf is expected to continue dampening domestic demand for tobacco during the 1994/95 marketing season. And leaf exports are facing increased competition from Brazil, Zimbabwe, Malawi, and other tobacco exporters.

Cigarette production is expected to continue declining during the next several years. U.S. cigarette consumption is declining 3 to 4 percent annually because of accelerated prohibitions and restrictions and growing social unacceptability of cigarette smoking. In addition, leaf exports will likely decline because of the availability of ample supplies of lower priced leaf from other sources.

[John Love (202) 219-0391]

For further information, contact: Dennis Shields and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco (202) 219-0886. David Harvey, aquaculture; Lewrene Glaser, industrial crops (202) 219-0091. **AO**

Agricultural Economy

Livestock, Dairy & Poultry Overview

Beef production and supplies are forecast to continue rising in 1995, putting downward pressure on fed cattle and beef prices. While per capita consumption is expected to rise only slightly in 1995, U.S. beef exports are forecast to rise over 7 percent. The June Hogs and Pigs report indicated pork production will be a record in 1995, pushing down retail meat prices.

Broiler exports are forecast to continue at a record pace in 1995, aiding producer prices and leading to record production. Turkey production will also be a record, but growth is slowing, allowing producer and wholesale prices to rise enough for producers to move above breakeven.

Beef supplies are the largest in over a decade. Beef supplies in 1995 are expected to be up 2 percent from this year and will be the largest since 1977. Supplies in 1994 are 4.5 percent above a year earlier. Beef production in the first half of 1994 was up 7 percent from the weather-reduced levels of a year earlier, and production this summer is expected to rise 2-3 percent from last summer.

Fed cattle prices strengthened from late-June lows near \$60 per cwt to nearly \$70 per cwt in mid-July, down from \$77 in early April and nearly \$77 in June 1993 as the industry adjusts to the larger supplies. As supplies decline seasonally by late summer, prices may average near \$70.

Lower feedlot placements this spring and early summer are expected to result in a seasonal summer-to-fall production decline of about 5 percent. But fall production will remain about 1 percent above a year earlier as placement weights have been heavy. Prices are expected to average in the low \$70's per cwt.

Producer prices for Choice boxed beef have dropped from about \$115 per cwt in early April to under \$100 by late June. Retail prices for Choice beef through May changed very little—remaining in the upper \$2.80's per pound since last fall. Prices declined to \$2.83 in June, the lowest monthly average since mid-1992.

Although supplies are up, per capita beef consumption this spring is still 3 pounds below the level reached in 1986 when fed cattle prices last averaged in the \$50's to low \$60's per cwt. Although the highest since 1990, per capita consumption is forecast to rise only a half pound in 1995—1994's increase is expected to be 2 pounds. Consumer acceptance of larger quantities of beef, given already large supplies of competing meats, will be further tested this summer.

But lower prices are likely to make U.S. beef increasingly attractive in the export market. Beef exports through April 1994 are 35 percent above a year ago. Exports are forecast to rise over 7 percent in 1995, following a 13-percent increase in 1994.

The farm-to-retail price spread was a record in May and widened further in June. However, lower prices for live cattle and boxed beef in June should result in de-

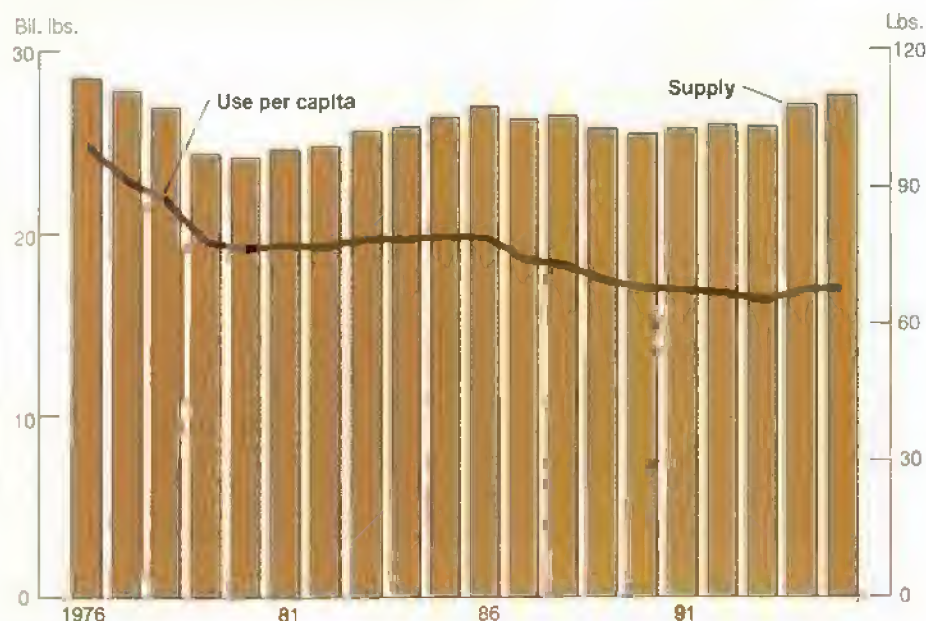
clining retail prices over the next few months. Beef supplies are expected to remain near present levels through mid-summer, and with the industry's increased promotional activities, lower wholesale prices are likely to be passed on to consumers.

Record hog production is leading to lower prices. The June 1 inventory and farrowing intentions indicate commercial pork production in 1995 will be a record 18.4 billion pounds, up nearly 6 percent from this year. Forecast production for 1994 has been revised upward to almost 17.4 billion pounds and would exceed the record 17.2 billion set in 1992.

The June *Hogs and Pigs* report indicated a modest herd expansion began early this year. In June, the total as well as market and breeding inventories were up 3 percent from a year earlier. Also, the number on March 1 of all hogs and pigs was revised upward to a 1-percent increase from a year earlier, and the number of animals kept for breeding was revised upward to show a 2-percent increase.

Much of the expansion is taking place in areas where contract hog operations are dominant. The expected record pork production and abundant supplies of competing meats are driving down hog prices.

U.S. Beef Supplies Are Largest Since 1977



1994 and 1995 forecasts.

Prices are expected to average \$43-\$44 per cwt in 1994, down from \$46 last year. In 1995, hog prices are likely to average near \$40 per cwt, with prices at times dropping to the high \$30's.

Retail pork prices in 1994 are expected to average \$1.98 per pound, about the same as last year. In 1995, retail pork prices are expected to decline 3-5 percent from this year due to larger supplies expected next year as well as continuing increases in competing products.

Broiler production and exports continue to grow. U.S. broiler output continues to set records, with production forecast to rise 4-5 percent in 1995, down from a nearly 6-percent increase forecast for 1994. Record exports and rising domestic use are encouraging continued production expansion.

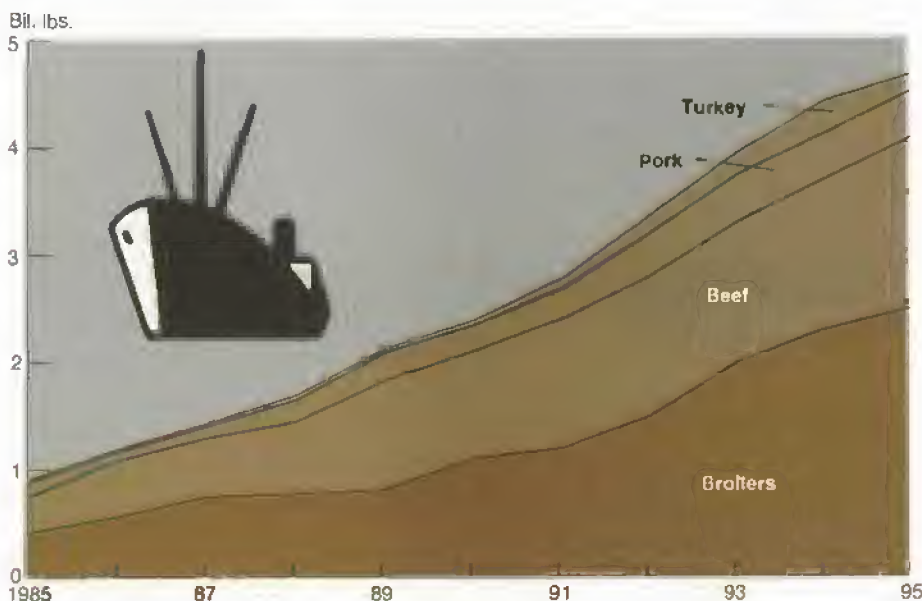
U.S. broiler exports are expected to climb more than 20 percent in 1994 from a year earlier, reaching another record. Exports in 1995 are forecast to hit another record, although with a more moderate rise of 4-5 percent. A price advantage compared with other meats, and generally relaxed trade barriers, are spurring growth in traditional foreign markets such as the Pacific Rim and Mexico, as well as in newer markets such as Russia, Eastern Europe, and China.

Wholesale broiler prices continue strong, with July-August prices 2-3 cents above a year ago. Domestic broiler sales are strong, even with large supplies of competing beef and pork. The impacts of summer heat on production efficiencies and bird losses have been normal, causing no major disruptions in the markets.

Net returns to broiler producers continue strong and are expected to average 6-8 cents per pound for the rest of 1994, about the same as last year. Higher wholesale prices this spring and summer have more than offset higher feed costs, resulting in the highest quarterly returns of the 1990's.

Turkey exports soar while production growth slows. Turkey production is expected to rise 2 percent in 1995 from a

Broiler Sales Push U.S. Meat Exports to Record High



Carcass weight for red meats, certified ready-to-cook weight for poultry. 1994 and 1995 forecasts.

year earlier, down from a 3-percent expansion forecast for 1994. Third-quarter turkey production is estimated to be 2 to 3 percent above a year earlier, following a rise of 3 to 4 percent in the second quarter.

Poult placements for third-quarter production averaged less than 1 percent above last year, but heavier birds will result in a larger production increase. From January through May, turkeys slaughtered averaged 23 pounds live-weight, slightly over 2 percent above a year earlier.

Wholesale turkey prices have risen steadily this year. Third-quarter prices for Eastern region hens are estimated at 65 cents per pound, about 2 cents above a year earlier and the highest since 1990. Expectations of national average turkey prices of 64-66 cents in the third quarter suggest that returns will average above breakeven but slightly lower than a year earlier, as feed costs remain about 9 percent higher. Strong export growth, slower production increases, moderate stocks, and a stronger economy are contributing to price strength.

Exports in 1995 are forecast up 6 percent from this year and nearly five times those of 1990. During the first 4 months of

1994, turkey exports were up 57 percent from a year earlier. Increases in exports from January through April resulted in higher total use of turkey meat compared with last year, despite unchanged domestic per capita consumption. Exports of turkey parts represented 96 percent of total turkey meat exports during this period, up from last year's 92 percent. Shipments of whole birds declined.

Mexico remained the primary importer of U.S. turkey, taking slightly over 50 percent of total U.S. turkey exports during the first 4 months of 1994. Poland imported 13 million pounds, or an 18-percent share of U.S. turkey exports, compared with none last year. Russia imported 9 million pounds, a 12-percent share, up from only 2,000 pounds a year ago. Exports also increased to Canada, where production declined in 1993 but per capita consumption continues to grow slowly.

Lower egg prices are resulting in slower production growth. Table-egg production in 1995 will increase less than 1 percent, due to this year's lower producer returns. However, hatching-egg production in 1995 should increase about 5 percent from this year, reflecting the continued profitability and expansion of the broiler sector.

U.S. Livestock & Poultry Products—Market Outlook at a Glance

* Cold storage stocks previously classified as "other chicken" are now included with broiler stocks. **Total consumption does not include eggs used for hatching.

For further information, contact:
 Agnes Perez, coordinator; Ron
 Gustafson, cattle; Leland Southard, hogs;
 Lee Christensen, Larry Witucki, and Mil-
 ton Madison, poultry; Jim Miller and
 Sara Short, dairy. All are at (202)
 219-0713. **AO**

News Watch . . .

Coffee Prices Continue Soaring

Recent frosts in Brazil—the world's largest coffee producer—have sent coffee prices soaring this summer. Coffee futures prices nearly tripled between April and early July, from 85 cents per pound on April 1 to \$2.35 on July 11.

This summer's surge in coffee prices follows a period earlier this year when importers were drawing down stocks in response to an export-retention scheme imposed by coffee producers, and prices were already starting to climb (AO June 1994). U.S. coffee stocks at the end of March 1994 were down 28 percent from the record high last March, and aggregate unit import prices were up 62 percent during first-quarter 1994.

Communities Compete for Enterprise Zone Funds

More than 500 local communities applied for designation as Empowerment Zones and Enterprise Communities by the June 30 deadline. The Empowerment initiative involves special tax incentives, Social Services Block Grant money, and access to economic and business investment as well as new and improved housing. Enterprise Communities will also receive these services, but on a smaller scale. Applicant communities must provide details of how they would use the financial and investment support for local economic and social revitalization.

Six urban areas and three rural areas will be designated as Empowerment Zones, and 65 urban areas and 30 rural areas will be named Enterprise Communities. In the rural category, 88 applications were received for Empowerment Zones and 139 for Enterprise communities.

Poverty has persisted in a number of rural areas for decades, and the rural empowerment and rural enterprise zones may offer some promise for these communities (AO April 1994). HUD, USDA, and other agencies are now evaluating the proposal, and the communities selected to participate will be announced later this year.

Second WRP Signup Completed

Almost 75,000 acres of cropland and other acreage has been accepted into the Wetlands Reserve program (WRP) during the second signup period—the maximum acreage by law for fiscal 1994. Under the WRP, landowners sell permanent easements to USDA's Agricultural Stabilization and Conservation Service to restore land to productive wetland habitat.

In March 1994, 5,775 intentions to participate, covering 590,000 acres, were submitted by eligible owners for the \$66.7-million 1994 program. Of the 20 states where farm- and ranchland were accepted, more than half the acreage was in Mississippi (13,562.5 acres), Louisiana (11,956.1 acres), Arkansas (10,338.5 acres), and Iowa (5,793.7). A total of 55.6 million acres of cropland converted from former wetlands was potentially eligible for the 1994 program—two thirds in the Lake and Corn Belt states.

The initial signup under the WRP took place in July 1992 in nine pilot states, and USDA selected 49,888 acres at a total cost of \$46.4 million (AO September 1993).

Cow/Calf Ranching & Grazing Fees

Beef cow/calf operations with permits to graze Forest Service (FS) and Bureau of Land Management (BLM) area had significantly higher net returns above cash costs than other operations in the West, according to a recent report from USDA's Economic Research Service. Operations with grazing permits had higher net returns (per cwt of cattle sold) even though their gross receipts and cash costs per cow were lower. While permittees spent more on fencing, breeding stock, and hired labor, they paid sufficiently less for harvested forages and rented pasture, to more than offset other higher costs.

The spread between fees charged by the Federal government for grazing cattle on FS and BLM lands, and forage value, has been widening over most of the past decade (AO June 1993). The Clinton Administration's grazing policy—which would increase grazing fees and impose new environmental regulations on ranchers who graze livestock on Federal lands—has met with resistance from western constituents while drawing considerable support from environmentalists (AO November 1993).

Signs of Famine In Africa This Year

At least 15 African nations face critical food shortages because of civil conflict and poor environmental conditions, according to the United Nations Food and Agriculture Organization. By early summer UNICEF was calling on the U.S. and other nations to provide emergency food aid for a number of Sub-Saharan countries threatened by famine.

The prospect of continuing famines in Sub-Saharan Africa is among the most serious global food concerns into the next century (AO June 1994). While agricultural productivity in developed countries has increased at an annual rate of over 2 percent over the past 20 years, the rate for Sub-Saharan Africa was well under 1 percent per year. And per capita food production levels are below levels of the 1970's in many Sub-Saharan countries.

AO

Commodity Spotlight



Embassy of South Africa

World Grain Trade To Slip Again In 1994/95

Another year of lackluster world trade in wheat and coarse grains is projected for 1994/95, with lowered imports by the former Soviet Union (FSU) a major factor in the flat performance. Global grain trade, excluding rice, is projected to be 180 million tons, down marginally from 1993/94 and the lowest since 1986/87.

Prospects for U.S. wheat and coarse grain exports in 1994/95 are also relatively weak, due to slow import demand and sharp competition from other exporting countries. U.S. shipments of coarse grains are expected up from the previous year but below historical levels, while U.S. wheat exports are expected to shrink.

Global grain supplies are expected to be up slightly from the previous year, with a projected increase in coarse grains outweighing a decline in wheat. Global consumption of grain is projected to increase modestly and will slightly exceed production, leading to a small decline in ending grain stocks, all of it in wheat. Export

prices for wheat are expected to remain weak in 1994/95, while for corn, the major coarse grain traded, prices are forecast to decline with a rebound in U.S. production.

Foreign grain production is expected to remain large, limiting imports in a number of countries that have moved towards self-sufficiency. Production in the former Soviet Union is a notable exception, but lower consumption will prevent its forecast decline in output from leading to a pickup in imports. However, import demand by some countries, including several that do not produce much grain, is likely to increase or remain strong with favorable economic growth.

Fall in FSU Imports Shapes World Trade

The large reduction in FSU grain imports in recent years is the overwhelming factor in the recent weakness in world grain trade. Due to the dramatic impact of political and economic reforms on the FSU's grain import regime, FSU coarse grain imports in 1994/95 are projected to be the lowest since 1974/75. Its wheat imports in 1993/94 were the lowest since 1979/80 and are projected up only marginally in 1994/95, still more than 8 million tons below the 1989-91 average. FSU coarse grain imports are projected down 16 percent from 1993/94, and more than 15 million tons below the 1989-91 average.

Higher retail prices and reductions in consumer subsidies have cut FSU grain consumption and waste, including a steep decline in feed use of grain due to a sharp contraction in the livestock sector. A strong political factor is also contributing to the lower imports by Russia, the largest importer in the FSU. Russia's internal grain prices remain below world prices, and the government wants to avoid paying more for imported wheat than it pays domestic producers.

As the dominance of the FSU in world grain markets wanes, developing countries are playing a more prominent role as grain importers. Both the volume of developing countries' grain imports and their share of world grain trade are pro-

jected to increase slightly in 1994/95, surpassing the records of the previous 2 years. The developing countries have accounted for more than half of world wheat and coarse grain imports since 1992/93, and this share is projected to increase to about 60 percent in 1994/95. Their rising imports are due to continued strong population growth plus the diversification and improvements in diets associated with higher incomes.

Since no major turnaround in FSU grain imports is likely in the next few years, the developing countries' share will continue to grow. However, the future role of China in the world grain market is probably less certain. China's wheat imports could potentially revert to much higher levels if consumption continues to outstrip domestic supplies. Also, China's ability to sustain its large corn exports could weaken if domestic demand grows faster than production.

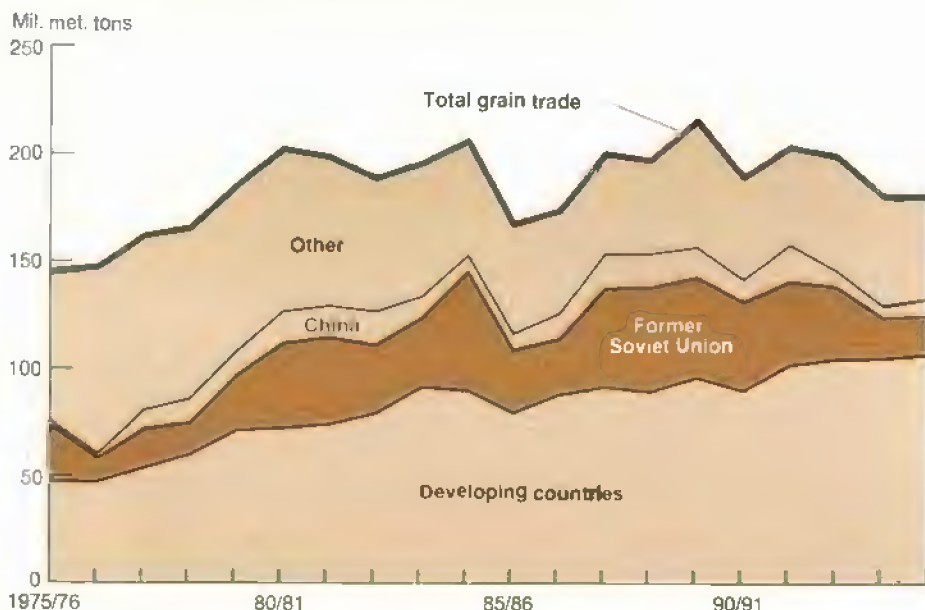
World Wheat Trade To Drop Again . . .

A projected decline in global consumption of wheat, particularly of wheat feeding in the FSU, will limit the trade impact of lower production in 1994/95. Global wheat production is projected down about 3 percent from last year, with a sharp decline in the FSU accounting for much of the decrease. World wheat imports are projected at 97.3 million tons, down slightly from the weak performance of 1993/94 and the lowest since 1986/87.

Global ending stocks of wheat are projected to fall 10 percent from 1993/94, with nearly half of the decline in FSU levels. The global stocks-to-use ratio is also expected to decline. But because exportable supplies remain large for most types of wheat, export prices are likely to remain as low or even lower than in 1993/94.

Continued low export prices will keep imports of feed wheat high. In 1993/94, several factors led to increased feed wheat imports by the U.S., South Korea, and other Asian markets. These included an abundance of low-quality wheat in Canada, Australia, and the European Un-

Grain Imports by Former Soviet Union Have Declined



Excludes rice. July-June marketing year for wheat. October-September for coarse grains. 1994/95 forecast.

ion (EU); extremely competitive prices for low-protein wheat; and high corn prices. While weather-damaged wheat supplies are expected to shrink in 1994/95 from last year, prices for low-protein wheat are expected to be competitive with those of corn, particularly in the first quarter of the marketing year.

High-protein spring wheats from Canada and the U.S. are expected to be more plentiful and of higher quality than in 1993/94. However, global durum supplies will likely remain relatively tight despite expected production gains in the U.S. and Canada. While durum prices will drop from the 1993/94 high, they will remain relatively strong because of low stocks of durum wheat in North America and the EU, strong demand by North African countries, and continued low production in the EU.

... But China & Pakistan To Import More Wheat

China and Pakistan are projected to import substantially more wheat in 1994/95 than last year, but these gains are offset by the reduced imports of many other countries. In some countries, imports are expected to drop because of greater wheat production (e.g., Morocco and

Eastern Europe), while imports by others fall because of declining consumption (notably the FSU) or limited financial resources (as in Nigeria).

Although China's wheat imports are projected up more than 50 percent from the low level of 1993/94, this would be the third-smallest volume since 1985/86. Growth in China's wheat imports will likely be constrained by this year's strong production, expanded market liberalization, and further drawdowns of stocks.

Pakistan's wheat imports are projected up nearly 1 million tons, or almost 40 percent from 1993/94, due to lower government stocks and a smaller expected harvest. In contrast, India's wheat crop is forecast to be another record. India ended the 1993/94 season with very large wheat and rice stocks, indicating virtually no imports of either commodity in 1994/95.

Import prospects in the rest of Asia remain mixed. Imports of feed wheat will fall slightly as corn prices drop. However, strong economic growth in Southeast Asia will likely lead to continued increases in milling wheat imports in that region.

Changes in wheat supply and use are expected to be relatively small in the rest of the world. Austerity measures in Brazil are limiting the area planted to wheat. But with strong economic growth, consumption continues to grow, and imports are projected up slightly from 1993/94. In contrast, Mexico's imports are forecast down as wheat area and production begin to increase after several years of steady decline, partly in response to changing government programs and price supports.

Competitors' Wheat Exports Up Slightly

Wheat exports of competitor countries are projected up marginally from 1993/94, and their combined market share is likely to remain about the same as last year. Assuming normal weather, Canada's 1994/95 wheat crop is expected to be of much higher quality than in 1992 and 1993. Improved quality of its spring wheat will also allow Canada to expand exports into high-protein markets.

U.S.-Canada Wheat Dispute

Increased imports of Canadian grain into the U.S. are the focus of a longstanding trade dispute between the two countries. Much of the dispute has focused on Canada's pricing policy and rail subsidy for wheat. *Special Article, page 28.*

Durum area in Canada is expected to be up more than 60 percent from last year, as producers shift from spring wheat to more profitable durum wheat and canola. Larger durum supplies will allow Canada to increase exports to the EU and North Africa. Canada's total wheat exports are projected up 9 percent from 1993/94 to 19 million tons, despite a projected 12-percent decline in production.

Argentina and Australia are just completing their 1994/95 wheat planting. In Australia, production is projected down 13 percent from 1993/94 because of a return to average yields. However, production could fall further without more rain in

Commodity Spotlight

FSU Coarse Grain Imports To Drop, While China Buys Less Wheat

	1992/93	1993/94	1994/95
	Mil. met. tons		
Wheat			
Major exporters			
Argentina	7.2	4.9	5.1
Australia	9.1	12.7	12.0
Canada	21.8	17.5	19.0
EU	23.4	18.5	18.0
Others	13.2	11.4	11.2
Total foreign	74.7	65.0	65.3
U.S.	37.1	33.0	32.0
Total wheat	111.8	98.0	97.3
Major importers			
FSU	23.7	13.2	13.5
China	6.7	4.5	7.0
North Africa	14.2	14.3	13.2
Eastern Europe	3.6	2.2	1.0
Japan	5.9	6.0	6.1
South Korea	3.9	5.3	5.0
Others	53.8	52.5	51.5
Total wheat	111.8	98.0	97.3
Coarse grains			
Major exporters			
Argentina	5.9	6.8	6.3
Australia	2.6	3.5	2.8
Canada	4.1	5.9	4.3
China	12.3	12.2	12.2
EU	8.1	9.3	8.4
South Africa	0	3.0	3.0
Thailand	0.2	0.1	0.1
Others	5.7	4.9	4.7
Total foreign	38.9	45.7	41.8
U.S.	50.1	37.8	41.3
Total coarse grains	89.0	83.5	83.1
Major importers			
FSU	10.2	5.7	4.8
Japan	21.9	21.6	21.8
Mexico	4.4	4.5	5.3
South Korea	6.7	5.6	6.1
Saudi Arabia	4.9	6.0	6.0
Taiwan	5.9	5.7	5.8
Other	35.0	34.4	33.3
Total coarse grains	89.0	83.5	83.1

July-June marketing year for wheat, October-September for coarse grains. 1994/95 forecast.

the coming weeks. Despite the forecast production decline, Australia's wheat exports are projected to fall only 6 percent from 1993/94 to 12 million tons. Australia is likely to continue to be an important source of feed wheat for Asian importers. China and Iran are likely to remain major markets for milling wheat.

Wheat production in Argentina is projected up 5 percent from 1993/94 when wet weather and disease reduced both yields and quality. Little area expansion

is likely as the increased government support growers had hoped for has been small. However, more favorable weather will result in higher yields. Exports are forecast up 4 percent, based largely on further gains in the Brazilian market.

Although EU use is expected to continue increasing in 1994/95, exportable wheat supplies will be ample—production in the EU is forecast to rise 2 percent from 1993/94. However, EU wheat exports are projected to fall 3 percent from

1993/94 because of weak global trade. In addition, the EU's tight supplies of durum wheat will likely hold down its durum exports to North Africa.

Exports and market share for smaller exporting countries (excluding the FSU) are projected down from 1993/94. Dry weather in Turkey reduced crop prospects in that country, and policy changes in Saudi Arabia lowered producer incentives to grow wheat.

Stagnant world trade and increased competition are forecast to reduce U.S. wheat exports 3 percent in 1994/95 from last year. Although China's early-season purchases of U.S. wheat are up from a year ago, the U.S. will likely face stronger competition in the North Africa market due to reduced demand combined with Canada's larger supplies of durum.

U.S. exports to the FSU and a number of other markets will likely continue to depend on Federal government export programs, including guaranteed credit, food aid, and the Export Enhancement Program (EEP). The recently announced EEP wheat allocation for 1994/95 was smaller than the initial allocation for 1993/94.

Coarse Grain Trade To Remain Weak

Global coarse grain trade is projected to decline about 400,000 tons in 1994/95, to 83.1 million, the lowest since the trade slump of the mid-1980's. Declines in barley, sorghum, and oats trade are expected to outweigh an increase in corn.

Several factors are behind the weak outlook for coarse grain trade. First, consumption and imports in the FSU continue to drop while large crops are expected in many other importing countries. In addition, U.S. imports, which were unusually large in 1993/94, are projected to drop sharply with a rebound in the U.S. corn crop, removing more than 2 million tons from world trade. World trade in feed wheat, despite a slight drop, will remain relatively strong, limiting opportunities for coarse grain expansion.

World corn imports in 1994/95 are projected at 58.5 million tons, up 5 percent from last year. Mexico is expected to account for the biggest gain—1.5 million tons, reflecting duty-free imports under the North American Free Trade Agreement (NAFTA). Mexico's corn imports have been low in 1993/94 as it draws down large domestic stocks.

For the 1994 calendar year, the first year of NAFTA, Mexico is forecast to import the full 2.5-million-ton duty-free quota from the U.S. Some of these sales are taking place in the 1993/94 U.S. crop year and the balance is likely in 1994/95. Also, 1994/95 will likely include most of Mexico's calendar 1995 duty-free quota of 2.7 million tons. Changes in corn imports elsewhere in 1994/95 are expected to be relatively small. Turkey's imports are projected up because of a large decline in its own crop, while South Korea is projected to import more corn than last year, partly at the expense of feed wheat. The largest decline in imports is projected for the FSU, down 1.2 million tons from last year.

Competitor corn shipments are expected to remain robust, although slipping from the forecast 1993/94 record. China's exports of corn, despite rapid increases in domestic demand, are projected to remain record high in 1994/95 due mostly to a larger crop. In contrast, EU corn exports are expected to slip 25 percent from the high level of 1993/94, because of reduced intervention stocks and because lower expected export prices will require higher subsidies.

Argentina's corn exports are expected to fall slightly, but prospects will be shaped largely by the progress of the U.S. crop this summer. South Africa's corn exports are projected unchanged in 1994/95 from the previous year. Even with a return to a smaller, more typical crop, South Africa's carryover from its bumper 1993 crop will support another year of large exports in 1994/95.

World barley trade is projected to decline 11 percent in 1994/95 from a year earlier, with lower imports by the U.S., Eastern Europe, and Morocco. For the most part, larger domestic supplies in each of these countries or regions will limit imports.

In the U.S., a rebound in corn supplies and a better quality barley crop will also reduce barley imports. However, imports by the world's largest buyer, Saudi Arabia, are projected steady in 1994/95 at 5 million tons, despite some gains in local barley production, apparently to replenish tight stocks.

Sorghum trade in 1994/95 is projected to fall 8 percent, due largely due to events in Mexico, where corn imports are expected to make further inroads in the sorghum market. Imports by Japan are projected to be flat, while changes in other countries' sorghum imports are projected to be minor.

World oats trade in 1994/95 is projected to decline 30 percent, to 1.6 million tons, due to expectations of a bigger and better quality crop in the U.S., the dominant importer. In the year ahead, developments affecting Sweden and Finland—both major oat exporters—will provide an element of uncertainty.

Finland and Sweden are expected to join the EU in 1995, assuming approval by voters in each country. Both countries must reduce agricultural spending to comply with EU policy, but future export policy is not fully known because the EU has no export subsidy system in place for

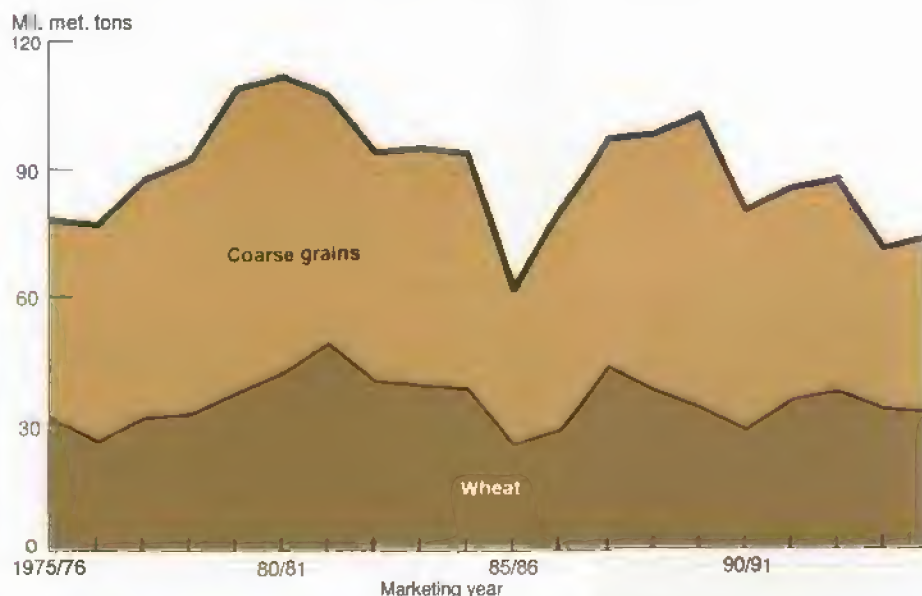
oats. Assuming subsidies are provided, oat exports by Sweden and Finland are projected to decline in line with lower global import demand in 1994/95 but to remain substantial.

U.S. Coarse Grain Exports To Post Small Rise

U.S. coarse grain exports are expected to increase in 1994/95, but gains will be limited by weak import demand and continued strong export competition. A projected rise of 9 percent in U.S. coarse grain exports to 41.3 million tons, coupled with lower foreign exports would boost the U.S. share of the world coarse grain market to 50 percent.

U.S. export performance in the 1993/94 marketing year, now drawing to a close, is turning out to be the weakest since the mid-1980's, with coarse grain exports forecast at just 37.8 million tons, down 25 percent from last year. A sharp cut-back in U.S. corn exports, expected down more than 10 million tons from 1992/93, with smaller reductions expected for sorghum and barley, will result in a world coarse grain market share of 45 percent for the U.S. In the previous 5 years, the U.S. share averaged 60 percent.

U.S. Coarse Grain Exports Up In 1994/95 but Below Recent Levels



July-June marketing year for wheat, October-September for coarse grains. 1994/95 forecast.

Commodity Spotlight

All of the prospective improvement in U.S. coarse grain exports will be in corn, with exports projected to increase 13 percent in 1994/95. This reflects an expected rebound in the size and quality of the forthcoming U.S. corn crop, meaning more exportable supplies and lower prices.

U.S. sorghum exports are projected to fall 6 percent from 1993/94. More supplies will be available for export because of a forecast gain in production, but import demand by Mexico, the largest export destination, is expected to drop.

U.S. barley exports are projected to fall 13 percent in 1994/95, reflecting sluggish world import demand. These conditions will also limit other suppliers' barley exports, and U.S. exports will remain dependent on the level of EEP shipments in this highly competitive market. [Pete Riley (202) 501-8512 and Sara Schwartz (202) 501-8514] **AO**

Upcoming Reports from USDA's Economic Research Service

The following reports or summaries will be issued at 3 p.m. ET on the release dates shown.

August

- 12 Cattle & Sheep Outlook
- 15 Feed Update
- Oil Crops Update
- 17 China*
- 19 Agricultural Outlook*
- 22 Livestock, Dairy & Poultry
- U.S. Agricultural Trade Update
- 23 Fruit & Tree Nuts*
- 25 Cotton & Wool*
- 26 Agricultural Exports*
- 30 Poultry Outlook

*Release of summary

World Agriculture & Trade



Exports As a Share of Agricultural Production

With agricultural export value forecast to hold steady at the relatively high level of \$42.5 billion in fiscal 1994, the export share of production is forecast at 17 percent, unchanged for the third consecutive year.

The export share of the value of bulk commodities (grains, soybeans, cotton, and tobacco) is forecast at 27 percent in fiscal 1994, lower than last year but similar to bulk commodities' export share average over the last decade. However, the export share of high-value products—meats, fresh fruit and vegetables, potato chips, and wine, for example—is forecast up in fiscal 1994, reflecting a decade-long upward trend in the export share of high-value commodity production.

Agricultural exports are unique because virtually all originate from one source—on farms or ranches—unlike nonagricultural exports which originate from many different sources, ranging from mines to factories to movie studios. The export value of production gives an idea of how

important trade is to America's farmers and ranchers. While the raw component of agricultural exports varies widely, the export share of production shows how much of the farm-gate value or volume of a commodity is shipped overseas either in something close to its original form—as in the case of grains or fresh fruits—or as a processed product such as potato chips or wine.

The export share of output is important because the U.S. and other industrial economies face an inelastic demand in domestic markets for many food and fiber commodities—purchases are largely unaffected by price changes—and external markets are important to expansion of these industries.

The export share of production is the ratio of exports—including the fresh and farm-equivalent portions of processed products—to total production of the commodity. The lagged calendar (or crop) year is used for production, while exports are based on the current fiscal year. Export shares may be calculated using value or volume. Value is used for aggregate calculation of different commodities, while volume-based calculations may be used to compare commodities.

For export value shares, the value added between the farm-gate and the port for all commodities is estimated and used to calculate the farm-gate portion of a commodities' export value. When estimating quantity shares, the commodity equivalent of the final product is used. For instance, it takes 1 ton of apples to make 170 gallons of apple juice.

U.S. supply and demand, competitor exports, and supply and demand in customer countries together determine how much U.S. production is consumed domestically or placed in stocks, and how much is shipped overseas. And currency exchange rates between the U.S. and customer countries, and between the U.S. and other producer countries, affect export levels by influencing the relative price of domestic and foreign-produced commodities.

Bulk Export Shares Have Varied Widely . . .

By value, the proportion of bulk commodity production exported is greater than the export share of high-value products. In fiscal 1994, 27 percent of the U.S. output value of bulk commodities is forecast to be exported, compared with 13 percent for high-value products. During years when domestic production was low and world demand strong, bulk commodity exports have been as high as 44 percent. The fiscal 1994 export share of bulk commodity output is down from its 33-percent share in fiscal 1993, the lowest since 1986.

Corn is the major U.S. agricultural export commodity by volume. Changes in corn shipments influence the total export share of output more any other commodity. The share of corn exported varies widely, and total bulk export shares reflect this pattern. In the last decade, the U.S. export share of corn output has ranged from 14 percent in 1986 to 40 percent in 1988.

In fiscal 1993, the export share of corn output was 17 percent. The low export

share of corn in 1993 was due to high production in the 1992 crop year along with low exports in fiscal 1993 due to increased competition from China and South Africa and lower world demand. In 1994, higher output in the U.S. should lower prices and encourage exports, but ample supplies in many importing countries and competition from exporters will continue to dampen U.S. export prospects.

The export share of wheat varies widely. In the last 10 years, U.S. wheat export share has ranged from 36 percent in 1991 to 76 in 1989. In 1991 the low export share for wheat was a result of high 1990 production in the U.S., and low export demand due to good crops elsewhere.

Recently, the export share for wheat has been affected by lower imports by the former Soviet Union and China combined with plentiful world supplies. The export share for wheat fell from 64 percent in 1992 to 54 percent in 1993, and is expected to drop slightly in 1994.

Cotton export shares are typically high, but they fluctuated dramatically in the early 1980's. In 1984, a drought combined with strong foreign demand pushed

the share to 87 percent. But it fell to 16 in 1986 when foreign buyers held back purchases in anticipation of low prices resulting from policy changes in the 1985 farm bill.

In fiscal 1993, 32 percent of U.S.-produced cotton was exported, and the share is expected to rise in fiscal 1994. Low production in India and Pakistan and adequate supplies in the U.S. will enable U.S. exports to make up shortfalls in world supplies.

Rice has been consistently oriented toward export markets. Since 1960, more than half the U.S. rice production has been shipped overseas in all but 8 years. During years with low domestic production, over 70 percent has been exported. Strong demand for rice in Japan should help maintain the export share for rice in fiscal 1994.

. . . While High-Value Shares Rose Steadily

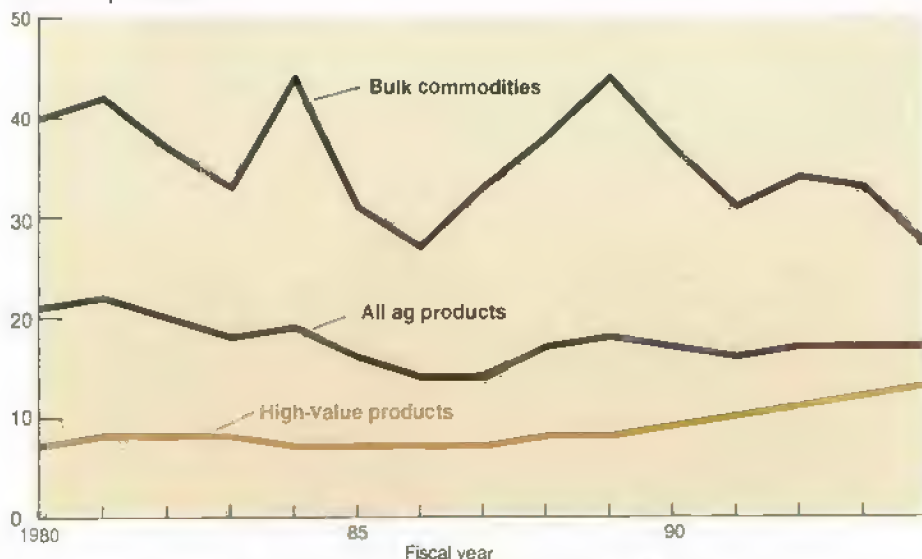
Unlike bulk exports which are sold primarily in established markets, high-value products are forging new markets, often selling items that would not otherwise be available or are only available seasonally. High-value exports can also fill a niche for lower priced or higher quality products. And high-value exports are often produced for specific countries, conforming to phytosanitary rules of the destination country.

The export share of production for high-value products has been increasing steadily from 7 percent in fiscal 1984, after a previous high of 9 percent in 1981. High-value export share reached 12 percent in fiscal 1993, up from 11 percent in fiscal 1992. And the export share of high-value products is forecast to rise to 13 percent in fiscal 1994.

Growth in high-value export share during the 1980's was spurred by strong economic growth in developed countries. However, as economic growth slowed in many of these countries towards the end of the decade, demand for high-value products subsided and the rate of growth in the high-value export share of production slowed.

Export Dollar Share of High-Value Ag Production Nearly Doubled in a Decade

Percent of production



1994 forecast. Bulk commodities (\$17.3 billion exported in 1994) are grains, oilseeds, cotton, and tobacco. High-value products (\$25.2 billion exported in 1994) include meats, dairy products, hides, sugar, and horticultural products.

World Agriculture & Trade

Farm Finance

Meat and meat products are one of the fastest growing segments of high-value exports. Poultry's export share was 8 percent in fiscal 1993, and it has increased steadily since 1986, when it was 3 percent. But both beef and pork have also made major gains in recent years and should continue increasing in the near future. Beef and veal exports have risen from below 1 percent in the 1970's to nearly 6 percent in 1994.

The export share of fresh fruit production is also growing rapidly. For U.S. apple production, for example, the export share of value has grown from 5 percent in 1985 to 20 percent last year. While the export share for apples fell from 21 percent to 20 percent in 1993, a turnaround is likely when exports to China expand. The export share for oranges has increased from 15 percent in 1988 to 24 percent in fiscal 1993.

High-value exports are expected to increase in terms of both export share and export value through the end of the decade, while bulk commodity exports are expected to show slower increases. High-value exports already top bulk commodity exports in terms of value, and the gap between their export shares will likely continue to narrow.

[Tom Capehart (202) 219-1262] **AO**

Coming in the
September
**Agricultural
Outlook . . .**

Famine and
food aid needs in
Sub-Saharan
Africa



Farm Lenders Face Rising Interest Rates

Interest rates have been trending upwards since the beginning of 1994. Expectations of continued economic growth make further interest rate increases likely throughout the remainder of the year.

This year's increase in short-term interest rates was mainly the result of a rise of 125 basis points in the Federal funds rate and a rise of 50 basis points in the Federal Reserve discount rate. Long-term rates, which have increased less sharply, have been fueled mostly by inflationary concerns.

Short-term interest rates are expected to increase proportionately more than longer term rates. Interest rates on farm loans are expected to rise to a lesser degree than market rates in the general economy. The largest farm rate increases will occur in the shorter term, more frequently repriced loans.

The high degree of capital intensity and reliance on debt by farmers, as well as the composition of the balance sheet for many farm lenders, make farm lenders es-

pecially susceptible to prolonged increases in interest rates. Many farm lenders experienced large losses during the early 1980's, for example, when interest rates rose dramatically and unexpectedly.

In addition, the portfolio composition for all U.S. commercial banks has changed dramatically over the past few years. Recent growth in securities held by banks has exceeded that of loans, decreasing bank exposure to farmer default risk but increasing exposure to interest rate risk. Interest rate risk is the possibility that unanticipated changes (usually increases) in interest rates will reduce both lender income as well as the market value of lenders' portfolios.

Impact of Higher Rates On Farm Lenders

The privately owned financial institutions which lend to the farm sector include commercial banks, the Farm Credit System (FCS), and life insurance companies. Increasing interest rates can directly affect these lenders' net worth, net interest rate margins, profits, and the share price of publicly traded stocks.

All privately owned farm lenders maintain portfolios that are sensitive to unanticipated interest rate changes. Lenders typically increase their net worth by holding loans and other assets with relatively long maturities and holding deposits and other liabilities with shorter maturities. Hence, the market value of the assets in their portfolio is more responsive to interest rate changes than the market value of their liabilities.

As a result, increases in the interest rate generally cause larger percentage reductions in the market value of assets than in the market value of liabilities, decreasing the net market value of the complete portfolio (and the owners' wealth). A 1993 study by the Federal Reserve Bank of San Francisco estimated that an unanticipated increase in interest rates of 200 basis points would reduce U.S. commercial bank systemwide net worth by 0.85 percent of bank assets, which is below the Fed's recommended "safe" response of 1 percent or less.

Changes in interest rates affect lender net interest margins or "spreads" between the lending and borrowing rates—the return to the financial institution for intermediating between borrowers and lenders. For lenders with longer average asset than liability maturities, an increase in interest rates would lead to a higher cost of new funds before rates on their existing loans could adjust, narrowing the lender's interest rate spread and lowering lenders' profits.

If a financial institution's shares are publicly traded, the decrease in the lender's market value will be reflected by a decrease in the price of its shares. Because of the highly leveraged portfolios and maturity structures of lenders relative to those of nonfinancial firms, lender share prices will decline relative to the share prices of nonfinancial firms.

A large proportion of life insurance industry assets are held by highly leveraged companies with substantially risky portfolios. The recent emphasis on short-term guaranteed investment contracts to finance life insurance company assets has increased the industry's vulnerability to interest rate changes and therefore the industry's risk exposure to unexpected interest rate increases. A relatively small decline in the value of the industry's

high-risk assets (real estate, equities, low-grade bonds, and mortgages) resulting from an unanticipated increase in the market rate of interest would lead to a relatively large decrease in industry capital levels.

In the Farm Credit System, liabilities are managed by Farm Credit Banks (FCB's) while asset management is shared by the FCB's and their lending associations. Most FCS loans are variable rate loans which are repriced administratively rather than by a market-determined index. As borrowers are also shareholders, loan rate increases could be restricted, thereby increasing the interest rate risk exposure of the FCS institution.

Agricultural banks as a whole are largely insulated from interest rate risk, according to a 1989 study by the University of Illinois. However, the study noted that the asset-liability management practices of many small, rural banks left them especially exposed to unanticipated shifts in interest rates.

Strategies for Risk Management

Reducing a lender's interest rate risk exposure means adjusting the expected rela-

tive maturities of assets and liabilities so that payment streams behave similarly. Most approaches involve some combination of readjusting the asset/liability composition in the portfolio, and strategies such as securitization and financial derivatives.

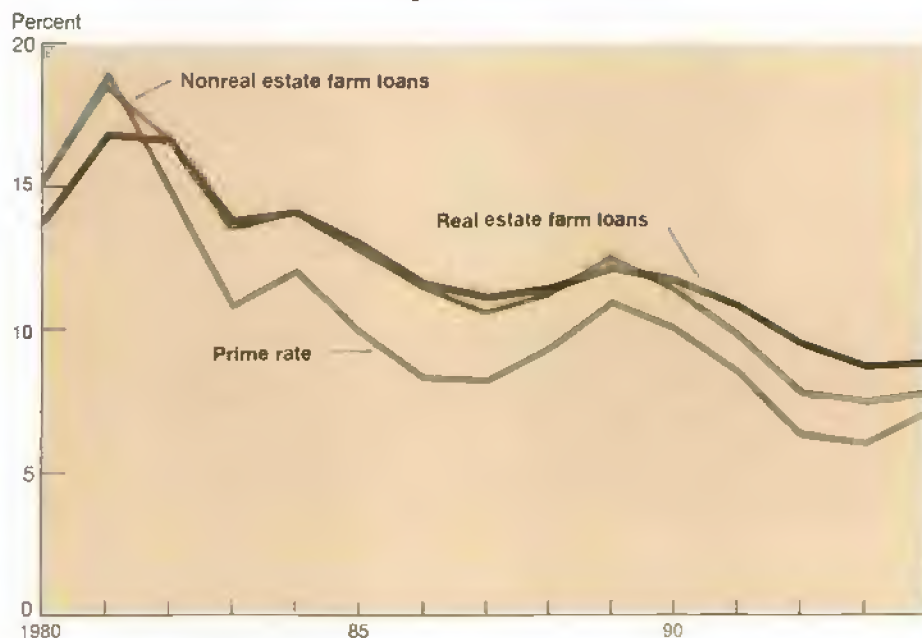
Possibly the simplest, most conventional solution is to adjust the maturity, repricing, and payment schedules of assets and liabilities. For example, a small rural farm bank may reduce the interest rate sensitivity of its assets by making variable rate loans rather than fixed rate loans and by holding short- rather than long-term securities.

This approach has its drawbacks. Shifting to variable rate loans decreases lender interest rate risk at the expense of increasing credit or default risk on the loan, with an uncertain net effect on lender overall risk. Variable rate loans increase loan administrative costs, and higher than anticipated increases could see rates rise above the loans' interest rate caps. Problems may result from unanticipated declines in interest rates as well. For example, the large unexpected decline in interest rates in the mid-1980's created losses for the FCS, which funded variable rate loans with long-term—and high-cost—fixed rate debt.

Since 1980, farm lenders, especially large banks, have increasingly turned to risk management strategies such as securitization and financial derivatives (primarily futures, options, and swaps). Small banks have viewed these strategies as a costly and unnecessary complication. Regulators have viewed them as an additional source of lender risk.

Securitization involves bundling a number of similar loans and selling the package at a specified yield. Since a loan's effective maturity to the bank is only the interval between the origination and the sale, securitization may substantially reduce the lender's vulnerability to changes in interest rates. However, if interest rates rise, an unsold loan with a fixed rate suddenly below the market rate loses its attractiveness and can be sold only at a discount, creating a loss for the originating bank.

General Market Interest Rates Rising Faster Than Farm Rates



1994 forecast. Farm rates are for commercial bank loans.

Farm Finance

Lenders have three primary types of financial derivatives for managing interest rate risk—futures contracts, options on futures, and swaps. A futures contract is an agreement between two parties for the future sale of an asset for a fixed price at a specified place. Banks can manage portfolio risk by selling futures contracts to lock in the cost of funds at some future time, or preserve asset values against falling interest rates by buying futures contracts. Banks can hedge a particular balance sheet item (microhedging) or hedge their total balance sheet (macrohedging). While macrohedging is theoretically more effective, microhedging is the more realistic alternative.

Options on futures contracts give the option holder the right without the obligation to buy or sell a futures contract at a specified price until a fixed future date. Financial futures options can be used to protect a lender's bond portfolio against rising interest rates while retaining the opportunity to profit from decreasing rates. This opportunity to profit from decreasing rates gives options an advantage over futures. A drawback is that the cost of options trading is considerably higher than futures.

A swap is a contract that exchanges payment streams between two financial institutions. Swaps can reduce the interest sensitivity of a lender's asset value by converting a fixed rate income stream to a variable rate stream or increase the interest sensitivity of its liabilities by converting a variable rate expense stream to a fixed rate one. Problems with swaps occur if one of the borrowers defaults. Also, finding other institutions with exactly opposite repricing needs may be difficult.

The effect of any unanticipated changes in interest rates on a farm lender will also depend on whether the lender had been hedging the portfolio's net cash flow (net interest margin) or the portfolio's market value. A study by the Federal Reserve Bank of St. Louis showed that any hedge designed to maintain net cash flow in the face of unexpected interest rate changes does so at the expense of allowing the portfolio's market value to vary with interest rates. Alternatively, hedging to maintain market value necessarily results

in a stream of cash flows that changes with changes in the rate of interest.

How Will Rising Rates Affect Farm Loans?

Increases in market rates of interest will affect rates on both new loans and outstanding loans to farmers. In determining how much to charge a farmer for taking out a new loan, the lender must cover its own administrative and servicing costs, a risk premium against the possibility the borrower may default, and a premium for any inflation expected over the term or repricing interval of the loan.

Farm lenders tend to price loans based on some combination of their average and marginal cost of funds. Larger commercial banks and life insurance companies, which lend to larger commercial agricultural interests, rely more on a marginal costs of funds than do smaller banks and Farm Credit System lenders. The greater the reliance on marginal cost pricing, the greater the impact of changes in market interest rates on the interest rate charged to farmers on new loans. Hence the recent increases in market interest rates will be reflected more immediately and to a larger extent in loan rates made by these larger lenders.

However, large commercial banks and life insurance companies are the biggest hedgers of interest rate risk. Hedging their risk exposure will reduce their need to pass through increases in the cost of funds to farmer-borrowers by protecting profit margins as market rates change.

Increases in interest rates will also affect outstanding farm loans which were made with variable or adjustable rates tied to some market rate of interest, such as the 10-year Treasury bond rate. As the interest rates used as indexes for farm loans increase, interest rates on outstanding farm loans will increase when their repricing date arrives. The impact of particularly large increases in market rates could be tempered if caps on periodic or lifetime adjustments are part of the loan terms.

[*Ted Covey, Robert Collender, and Paul Sundell (202) 219-0893*] **AO**

Farm & Rural Communities



Farm Safety: New Rules On Pesticides

From toxic reaction to pesticides and manure pit fumes, to accidental injury on tractors and combines, the occupational hazards of farming are numerous and varied, making agriculture one of the most dangerous industries.

While the rates of injury and illness for many occupations have been declining for several decades, the rate for agriculture has remained constant. Unlike most other occupations with hazards, the people who would be protected by regulations (as workers) are also largely the people these regulations would restrict (as owners). Most farm safety regulations exempt small employers, farm owners and operators, and their families. Other approaches to improving farm safety—safety design features and education—have been especially important for reducing accidents in farming.

The U.S. Environmental Protection Agency's 1992 worker protection standard (WPS) for pesticides—the latest Federal regulatory effort to improve farm-worker safety—covers every agricultural

employer and makes fewer exemptions for farm owners and their immediate families than most other worker protection standards. The new standard, which take full effect on January 1, 1995, expands employer requirements for training workers who handle pesticides, protecting workers from exposure, and providing emergency assistance to exposed workers.

Farming Hazards & Farm Safety Efforts

In 1991, the occupational injury and illness incidence rate per 100 full-time workers in production agriculture was 11.8 on farms employing 11 or more people, compared with 8.4 for all industries in the private sector. Most farms hire fewer than 11 workers or employ only family members, and Bureau of Labor Statistics data do not reflect illness and injury rates on these farms.

Injuries in farming range from cuts and scrapes to total disability and fatalities. Most injuries involve machinery, and tractor accidents have been identified as the leading cause of deaths and disabling injuries on farms. Injuries also result from poor building design, electric power, livestock handling, and weather conditions.

Farmers and farmworkers also have higher rates of many diseases and illnesses than other workers, according to a 1988 study by the National Coalition for Agricultural Safety and Health. These include respiratory disease, certain cancers, acute and chronic pesticide toxicity, dermatitis, musculoskeletal syndromes, noise-induced hearing loss, and stress-related mental disorders.

Reducing the incidence of accidents in farming is difficult because farming, by its very nature, creates an environment conducive to accidents and illnesses. Farmers do not "leave their work at the office," and they and their family members experience the potential for greater exposure to hazards associated with ma-

chinery, tools, and chemicals. Most farming operations are not required by Federal or state laws to have formal safety programs, and farmers and farmworkers usually receive little safety training.

Farming is usually not performed in packages of 40-hour weeks under environmentally controlled conditions. Farmers and farmworkers may face psychological pressures of uncertain finances, deadlines, changeable weather, and boredom from long hours of repetitive tasks. Farmers often work alone and far from assistance should an accident occur. Emergency services in many rural areas are distant from the farm and often not equipped to handle severe farm injuries.

Many of the professionals in farm safety—including medical personnel, industry safety engineers, and agricultural engineers—recommend a common hierarchy of priorities of action for reducing the number of injuries and illnesses in farming operations. The hierarchy of priorities is to eliminate hazards and risks, use safeguarding technology, post warning signs, train and instruct people, and prescribe personal protective equipment.

Three strategies are used to translate these priorities into action.

- **Education.** Agricultural Extension Service seminars and bulletins, articles in the farm media, warning signs, and other educational tools are used to persuade farmers and farmworkers to change their safety behavior.
- **Engineering.** This strategy involves developing, designing, and recommending safety features to increase prevention and control of injury and illness.
- **Regulations.** Standards are developed and enforced requiring farmers and farmworkers to change their safety behavior—such as rollover protection on tractors, and field sanitation.

More on Safety Issues

The following reports by USDA's Economic Research Service provide additional information on the Worker Protection Standard and other safety issues and regulations affecting agriculture.

- *A Summary of the Worker Protection Standard for Agricultural Pesticides.* ERS Report No. AIB-680, December 1993 (\$9 per copy).
- *A Review of Farm Accident Data Sources and Research.* ERS Report No. BLA-125, October 1993 (\$9 per copy).
- *Summary of Federal Laws and Regulations Affecting Agricultural Employers.* ERS Report No. AIB-652, August 1992 (\$9 per copy).

Call 1-800-999-6779 to order these reports.

These strategies are not mutually exclusive but are usually combined to achieve the desired effect. The rollover protection standard (ROPS), which applies to tractors manufactured after October 25, 1976, is an example of engineering and regulation working together to improve farm safety. The educational strategy of persuading farmers and farmworkers to follow ROPS correctly is also essential for this regulation to be effective.

New Safety Rules Target Pesticides

A recent survey of Iowa farm operators indicated that agricultural chemicals were perceived as a greater health threat than machinery, although chemicals were involved in only about 1 percent of the accidents reported in the survey. While acute reactions to pesticide exposure—dizziness, vomiting, headache, fatigue, drowsiness, and skin rashes—occur im-

Farm & Rural Communities

mediately after exposure, potential long-term effects such as cancer and central nervous system damage are more difficult to observe and have not been well documented.

EPA's 1992 worker protection standard is designed to provide more protection against pesticide exposure. The new standard covers all agricultural employers, including livestock producers, whose employees perform hand labor operations in fields, forests, nurseries, and greenhouses treated with pesticides. All employment in commercial agriculture involving hand labor in fields is covered by WPS, although owners or operators and immediate family members are specifically exempt from some provisions.

According to EPA, the annual cost of WPS is estimated to be \$50 to \$60 million (an average of about \$15 per establishment without hired labor, and about \$140 per establishment with hired labor). EPA did not estimate the financial benefits expected from reducing pesticide exposure, but stated the benefits would include avoiding 8,000 to 16,000 physician-diagnosed nonhospitalized poisoning incidents and about 300 hospitalized acute and allergic pesticide poisoning incidents and other serious effects.

The WPS follows the hierarchy of priorities of action for reducing the number of injuries and illnesses in farming operations. Its major objective is to reduce the hazards and risks of pesticide poisoning for hand laborers in agriculture. Overall exposure to pesticides is to be reduced by barring workers from an area being treated with pesticides, requiring ventilation of enclosed treated areas, and allowing only properly trained and equipped workers in treated areas during a restricted entry interval (REI).

The REI indicates the period of time after a pesticide application, during which entry into the treated area will be restricted (safeguarding technology). Workers must be notified orally, with signs, or both orally and with signs about

treated areas. All workers who will be entering a treated area for some short-term, emergency, or specifically exempted activities are required to be properly trained and protected with personal protective equipment (PPE). Workers must be provided with PPE that is clean and in proper working order.

A decontamination site (water for washing, soap, single-use towels, and eye flush dispenser) must be provided in an untreated area within one-quarter mile of workers and maintained if workers are required to enter a treated area during the restricted period and the ensuing 30 days. The WPS also requires employers to exhibit a safety poster in a central location (contents of the poster are specified in WPS). Finally, emergency assistance must be provided to any worker when there is reason to believe the worker was poisoned or injured by pesticides.

While agricultural owners and their immediate families are exempt from most Federal labor regulations, they are covered by most provisions of the WPS. Agricultural owners and immediate family members must comply with the employer information exchange between commercial handlers and owner/operators about date and place of application. They must also comply with restrictions which apply to pesticide handling tasks and pesticide applications. Post-application restrictions must also be followed with the exception of training, decontamination sites, and specific duties related to the care of PPE and management of its use.

Although the WPS offers more protection for farm owners and their immediate families than most other worker protection standards, it does not provide as much protection from pesticide exposure for owners and immediate family members as for employees. Education/persuasion will continue to be necessary for reducing pesticide exposure for owners and immediate family members, especially on farms where there are no hired employees.

[Jack L. Runyan (202) 219-0932] **AO**

August Releases—USDA's Agricultural Statistics Board

The following reports are issued 3 p.m. ET on the dates shown.

August

- 1 Crop Progress*
- 3 Broiler Hatchery
Egg Products
Poultry Slaughter
- 5 Dairy Products
- 8 Crop Progress*
- 10 Broiler Hatchery
- 11 Cotton Ginnings
Crop Production
- 12 Turkey Hatchery
- 15 Crop Progress*
- 16 Cranberries**
Farm Labor
Milk Production
- 17 Broiler Hatchery
- 18 Mushrooms
Turkeys
- 19 Cattle on Feed
Livestock Slaughter
- 22 Cold Storage
Crop Progress*
- 23 Catfish Processing
- 24 Broiler Hatchery
Hazelnut Production
(Tentative)
- 25 Chickens and Eggs
- 26 Peanut Stocks and
Processing
- 29 Crop Progress*
- 31 Agricultural Prices
Broiler Hatchery
Rice Stocks

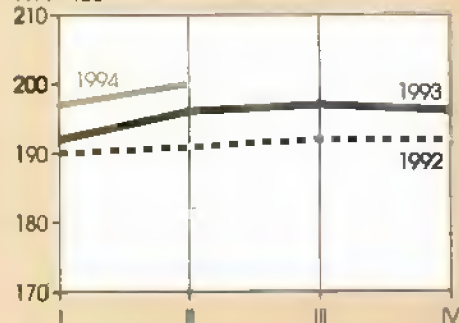
*After 4 p.m.

**1 p.m.

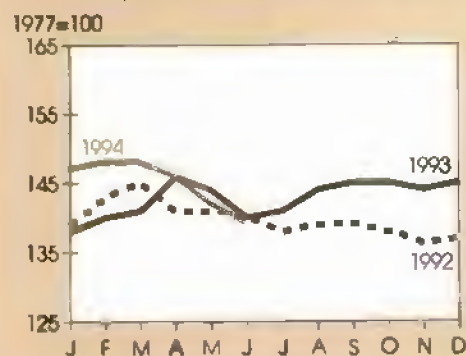
Prime Indicators

Index of prices paid by farmers

1977=100

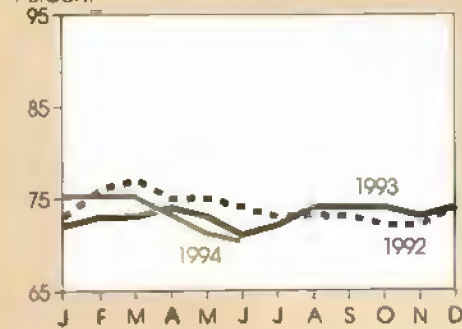
Index of prices received by farmers¹

1977=100

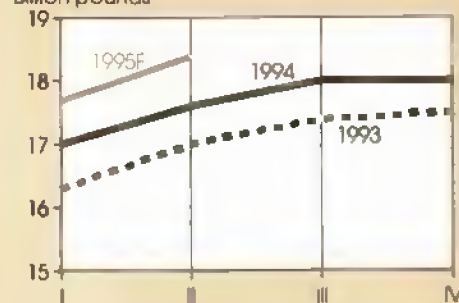


Ratio of prices received/prices paid

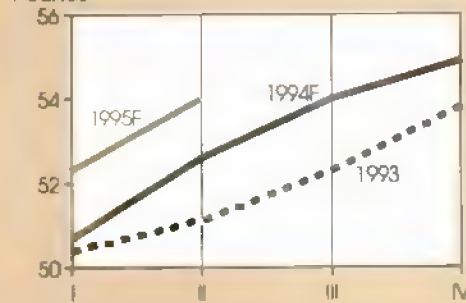
Percent

Total red meat & poultry production²

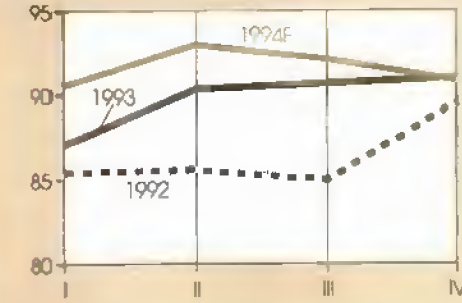
Billion pounds

Red meat & poultry consumption, per capita^{2,3}

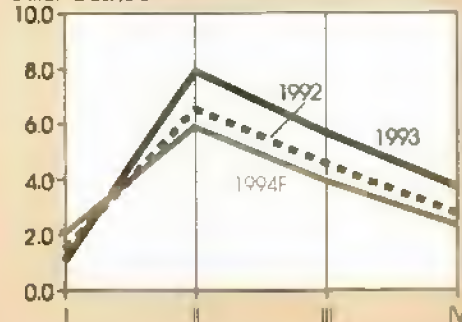
Pounds

Cash receipts from livestock & products⁴

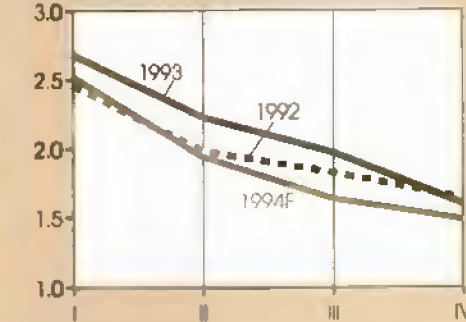
\$ billion

Corn beginning stocks⁵

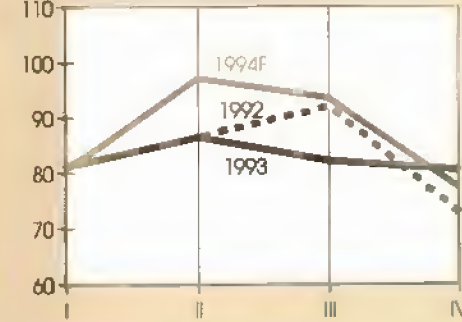
Billion bushels

Corn disappearance⁵

Billion bushels

Cash receipts from crops⁴

\$ billion



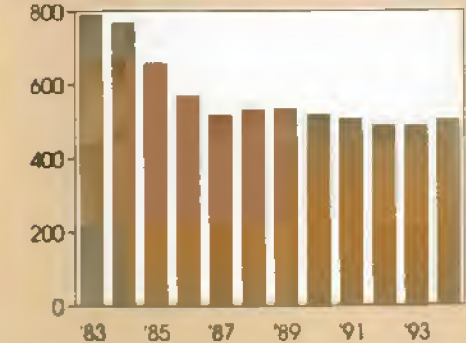
Farm loan interest rates

Percent



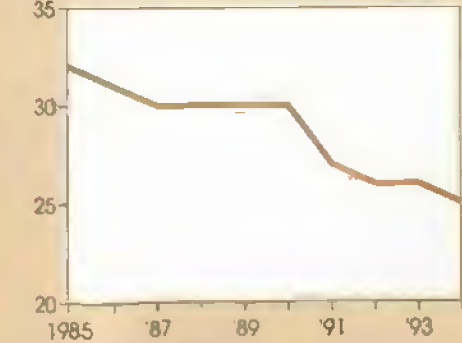
Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent

¹ For all farm products² Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts.³ Retail weight.⁴ Seasonally adjusted annual rate⁵ I=Sept.-Nov.; II=Dec.-Feb.; III=Mar.-May; IV=June-Aug. Marketing years ending with year indicated.

F=forecast.

Special Article



CP Rail System

U.S. & Canada: The Nature of Ag Trade Disputes

The U.S. and Canada have the largest bilateral trading relationship in the world. And since the implementation of the U.S.-Canada Free Trade Agreement (FTA) in 1989, merchandise trade between the two countries continues to increase, exceeding \$210 billion in 1993. Agricultural trade totaled almost \$10 billion in 1993, up 52 percent since 1989.

Canada is the second-largest market for U.S. agricultural exports, after Japan, and accounted for over 12 percent of U.S. agricultural exports in 1993. However, the reduction in trade barriers under the FTA has exposed significant differences in agricultural programs between the two countries, which have contributed to several trade disputes.

U.S. complaints center around Canada's increased exports of wheat, barley, peanut butter, sugar, and sugar-containing products to the U.S., as well as restricted access to Canadian markets for U.S. dairy, poultry, and egg exports. While these products combined account for only about 10 percent of total agricultural trade between the two countries, each involves politically sensitive areas in one or both countries.

Disputes over agricultural trade between the U.S. and Canada are not new. During the mid-1980's, disputes arose over Canadian hog, pork, and potato exports to the U.S., while U.S. corn exports to Canada created some concern in that country. Except for potatoes, these disputes were settled by the imposition of countervailing duties which have since been eliminated.

Trade disputes between the two countries involve domestic support programs, export subsidies, and nontariff barriers to trade. In addition, fundamental differences between the two countries' agricultural policies have contributed to the situation.

Examining the Impact of Wheat Imports from Canada

A longstanding agricultural trade dispute between the U.S. and Canada focuses on increased imports of Canadian grain. Originally involving only durum wheat, this dispute has grown to include other classes of wheat as well as barley. Total U.S. wheat and wheat product imports were a record 2.9 million metric tons in marketing year 1993/94 (June-May), and barley imports were a record 1.5 million tons. Canada was the source of nearly all U.S. wheat and barley imports. Imports accounted for about 8 percent of total domestic wheat consumption in the U.S. during 1993/94.

On January 18, 1994, President Clinton directed the U.S. International Trade Commission (ITC) to investigate whether wheat, wheat flour, and semolina imports are materially interfering with the U.S. wheat program under Section 22 of the Agricultural Adjustment Act of 1933 (as amended). Section 22 permits the President to request an ITC investigation when the Administration considers that imports of any product amount to quantities that materially interfere with USDA's price and income support program. The President's request was based on the 1993 USDA Task Force finding that U.S. wheat program costs have increased as a result of rising wheat imports.

The ITC investigation began after Canada and the U.S. were unable to settle a variety of outstanding trade issues, including those involving wheat. On July 8, 1994, all six ITC commissioners determined that wheat imports have affected U.S. wheat program costs and/or markets. Three of the six commissioners found that wheat imports have materially interfered with U.S. wheat program costs through increasing deficiency payments. The other three commissioners did not find that wheat imports materially interfered with U.S. program costs, but did note that the impact of wheat imports by region and class could support a finding of material interference by the President.

The ITC sent its full recommendation to the President on July 15, and the six commissioners recommended restricting wheat imports through an import quota, tariff-rate quota, or additional tariffs. However, these recommendations are not binding since the ITC acts only in an advisory capacity, although any findings or recommendations it hands down may be used

by the President as the basis for future decisions. Furthermore, the FTA requires that in a Section 22 action, the U.S. must show that increased imports were the result of a substantial change in either U.S. or Canadian wheat support programs.

An import restriction under Section 22 would remain effective until the provisions of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) are implemented. The recently concluded Uruguay Round prohibits imposition of new quantitative restrictions on imports. Nontariff barriers are eligible for conversion into tariffs ("tariffication") only if such barriers were in effect during the 1986-88 base period. The U.S. did not have Section 22 quotas on wheat during the base period.

Because of these limitations, the U.S. notified the GATT on April 22, 1994 of its intention to modify wheat and barley tariffs under GATT Article 28, which defines the process for modifying or withdrawing a tariff. Under U.S. law, the President must obtain authority from Congress before modifying a tariff under this action.

Before tariffs can be changed under GATT Article 28, the U.S. is required to consult countries whose exports will be affected (in this case only Canada for wheat and barley). If the U.S. and Canada are unable to reach a mutually satisfactory settlement of their differences and the U.S. unilaterally adjusts wheat and barley tariffs, Canada has the right under GATT to seek compensation by increasing its tariffs on U.S. goods of equal value after 30 days' notice.

Focus of Grain Dispute: Canada's Pricing Policy & Rail Subsidy

The grains dispute has primarily focused on the confidential pricing policy of the Canadian Wheat Board (CWB) and Canada's Western Grain Transportation Act (WGTA) rail subsidy. The Canadian Wheat Board is the sole authority for interprovincial and international trade of Canadian wheat and barley. CWB activities include setting producer payments, regulating producer deliveries through quotas and contracts, and organizing grain handling and transportation.

The CWB does not publish prices for individual sales since the CWB considers confidentiality necessary for the competitiveness of its producer members. This lack of price transparency for CWB export sales raises the possibility that the CWB may, at times, undercut U.S. grain prices. This would be a violation of the FTA, which prohibits either country from selling agricultural goods to the other at below-acquisition price.

In 1992, following several years of discussions on the CWB's pricing practices, the U.S. requested an FTA dispute settlement panel to investigate the matter. In 1993, the panel was not able to determine if Canada sold below acquisition price. However, the panel mandated that an annual audit of CWB durum sales to the U.S. be conducted. The results of the audit, covering the period January 1, 1989 through July 31, 1992, indicated that

FTA: The Provisions Affecting Agriculture*

- **Article 401.** Removes tariffs on most agricultural goods over a 10-year period. Neither country can increase any tariff or introduce any new tariff on goods originating from the other country.
- **Article 701.** Prohibits public entities from exporting agricultural goods to the other country at below-acquisition price, to include storage and handling costs. Neither country can use export subsidies in bilateral trade and must consider the effects on the other party when using export subsidies on goods shipped to third countries. Canadian goods (eligible grains and oilseeds) shipped to the U.S. through west coast ports do not receive transport subsidies.
- **Article 702.** Tariffs on fresh fruits and vegetables may be restored to most-favored-nation level if certain price and acreage restrictions are met.
- **Article 703.** Improves market access for both countries by removing trade barriers.
- **Article 704.** Exempts both countries from each other's meat import laws.
- **Article 705.** Requires Canada to remove its import licenses for wheat, barley, and oats whenever U.S. support levels for these grains are equal to, or less than, Canadian support levels. Permits quantitative import restrictions for grains under certain conditions.
- **Article 706.** Enlarges Canada's global import quotas for chicken, turkey, and shell eggs.
- **Article 707.** Forbids the U.S. to place any quantitative import restriction or fee on products from Canada containing 10 percent or less sugar.
- **Article 708.** Harmonizes technical regulations and standards.
- **Chapter 8.** Reduces trade barriers for wine and distilled spirits through measures affecting their domestic sale and distribution.
- **Chapter 18.** Establishes bilateral dispute settlement panels to rule on cases involving the interpretation or application of the FTA.
- **Chapter 19.** Establishes bilateral dispute settlement panels to rule on antidumping and countervailing duties cases.

*These provisions have been subsumed under NAFTA.

Special Article

Canada, with only a few exceptions, did comply with the FTA ban on sales of durum wheat at below-acquisition price.

However, the U.S. contends that the acquisition price was incorrectly calculated, since the panel defined acquisition price as covering only the initial payment producers receive upon delivery to the CWB. The definition did not include CWB storage and handling costs. Because initial payments have historically comprised 80 percent of a producer's total return from the CWB, the U.S. argued that the acquisition price should include CWB final payments as well as the WGTA subsidy. By not including final payments in determination of the acquisition price, the panel allowed the possibility of the CWB undercutting the U.S. price despite being in compliance with the FTA.

Under the WGTA, Canada's federal government pays the railroads a subsidy for shipping eligible grains and oilseeds from the prairies to western Canadian ports and to Thunder Bay, Ontario and Churchill, Manitoba. Thus Canadian producers pay freight rates below actual costs of shipping. The FTA removed the subsidy on west coast shipments to the U.S., but the subsidy was allowed to continue on eastbound shipments to Thunder Bay.

This has resulted in an increase of backtracking of grain shipments from the prairie provinces of Alberta, Manitoba, and Saskatchewan eastward to Thunder Bay in order to qualify for the \$14-per-ton subsidy. The grain is then routed back westward to the prairie provinces, at the subsidized rate, before being exported to the U.S.

To eliminate this backtracking, the Canadian government recently proposed that beginning January 1, 1995, grain shipments bound for the U.S. through Thunder Bay would no longer qualify for the WGTA subsidies. This would address some of the U.S. complaints, although the lack of CWB price transparency would remain.

U.S. Seeks Wider Access to Dairy, Poultry, Egg Markets

Under the market access provisions for agriculture in the Uruguay Round GATT Agreement, member countries must convert nontariff trade barriers such as quotas, import licenses, and variable levies into ordinary tariffs. Canada agreed to the tariffication of its supply-managed dairy, poultry, and egg sectors, which are protected by import quotas.

In addition, all GATT member countries are required to allow imports equal to a minimum of 3 percent of their 1986-88 base-period consumption, rising to 5 percent by the end of the implementation period. This will be accomplished through a tariff-rate quota (TRQ). Under a TRQ, imports are initially permitted each year at a low tariff rate until a specified level is reached, at which point a higher tariff (over-quota) rate is applied to subsequent imports.

Since the over-quota tariffs submitted by Canada are extremely high, future imports will not likely exceed the GATT-required minimum. Also, Canada will reduce the over-quota tariffs on dairy, poultry, and egg products by only the minimum 15 percent required by GATT.

The FTA goes beyond GATT, stating that no new tariffs or tariff increases are to be placed on either country's products, and calls for complete elimination of all tariffs by January 1, 1998. The U.S. believes Canada should abide by the terms of the FTA, now subsumed under the North American Free Trade Agreement (NAFTA).

The U.S. is seeking increased market access to Canada above the GATT-required minimums and, consistent with NAFTA, wants tariffs to be completely eliminated on U.S. dairy, poultry, and egg exports to Canada. However, the Canadian government has contended the GATT agreement takes precedence over NAFTA. This difference in views underscores much of the dispute over dairy, poultry, and eggs.

Imports above the GATT minimums would place intense pressure on Canada's dairy, poultry, and egg producers, since the prices producers receive are determined by their cost of production and are much higher than those received by U.S. dairy, poultry, and egg producers. Canadian producers receive these higher prices only within production quota limits. Because allocation of additional production quotas occurs infrequently, the value of existing quotas has increased significantly over the past several years. Any undermining of the quota value as a result of greater imports from the U.S. could cause a significant restructuring of Canada's dairy, poultry, and egg sectors.

This threat to producers' livelihood has strong political ramifications in Quebec since the province has the largest number of dairy farmers in Canada and receives 47 percent of the national milk marketing quota. In recent years, Quebec has threatened to secede from the rest of Canada unless constitutional reforms are made giving greater powers to the province.

Federal referendums in 1990 and 1993 to reform the Canadian constitution and provide more autonomy to Quebec were defeated. Currently, the secessionist Bloc Québécois is the largest opposition party in the Canadian Parliament. Bloc Québécois' stated goal is a sovereign Quebec, and it has pledged to defend Quebec's interest in parliament.

Canada Steps Up Exports of Peanut Butter & Sugar

In recent years, Canada's peanut butter manufacturers have been importing peanuts from Argentina and China, manufacturing peanut butter, and then shipping the products to the U.S. at competitive prices. In addition, tariff reductions under the FTA have assisted Canada in expanding its peanut butter exports to the U.S.

The U.S. peanut program utilizes import quotas to ensure the maintenance of U.S. peanut prices. However, these quotas do not apply to peanut butter. Because imports of peanut butter and paste lower U.S. peanut prices and add to the cost of the U.S. peanut program, the ITC began on January 18, 1994 to investigate whether peanut butter and peanut paste imports are "materially interfering" with the U.S. peanut program. The investigation was suspended on June 29 after the Administration determined it was no longer necessary since the U.S. market access commitments in the Uruguay Round provide for a tariff-rate quota on peanut butter and paste, which is expected to limit imports from Canada to 1993 levels.

In addition, Canada also imports sugar at world market prices, processes much of it into beverages and other products, and exports sugar-containing products, as well as domestically produced refined sugar, into the U.S. Sugar prices in the U.S. are substantially higher than world market prices due to the effects of U.S. policy.

As *Agricultural Outlook* went to press, Canada and the U.S. reached a tentative agreement that, at least for the next year, ends the dispute between the two trading partners over Canada's increasing grain exports to the U.S. The agreement would limit overall U.S. wheat imports from Canada for 1 year, establish a joint commission to monitor wheat disputes, and adopt a "peace clause" ensuring that neither country will initiate any action against the other during the next 12 months.

In 1990, the U.S. converted its sugar import quota into a TRQ after a GATT panel found the import quota to be inconsistent with the GATT. The U.S. believed its obligations under the FTA—not to apply any new tariffs on imports from Canada—did not allow the new, over-quota tariff to be applied to imports of sugar from Canada. As a result, Canada's exports of refined sugar to the U.S. have tripled since 1990, putting additional pressure on U.S. sugar prices.

Canada's exports of refined sugar to the U.S. were not affected under the Uruguay Round; thus Canada can still export sugar to the U.S. above quota without any tariffs applied. Canada, on the other hand, did apply prohibitive over-quota duties on dairy, poultry, and eggs in its Uruguay Round commitments. The U.S. has highlighted this discrepancy during its negotiations with Canada.

In addition, the U.S. currently has import quotas on a variety of sugar-containing products. The U.S. will convert these quotas into TRQ's as part of its Uruguay Round commitments. Also, some Canadian products, which have been imported outside the quotas as a result of U.S. Customs classification errors, will be brought back under the new, Uruguay Round tariff-rate quotas.

Canada has voiced concern that the U.S. Uruguay Round commitments will reduce Canadian exports of sugar-containing products, peanut butter, and peanut paste. This is similar to U.S. concerns about Canada's Uruguay Round commitments on U.S. dairy, poultry, and egg exports.

[Mark Simone (202) 219-0487] AO

Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1993				1994				
	II	III	IV	Annual	I	II	III F	IV F	Annual F
Prices received by farmers (1977=100)	146	141	145	143	147	146	—	—	—
Livestock & products	167	161	159	162	159	161	—	—	—
Crops	125	121	130	123	135	131	—	—	—
Prices paid by farmers, (1977=100)									
Production items	180	179	181	179	181	184	—	—	—
Commodities & services, interest, taxes, & wages	196	195	198	195	198	200	—	—	—
Cash receipts (\$ bil.) 1/	181	176	171	174	172	—	—	—	—
Livestock (\$ bil.)	92	91	89	90	91	—	—	—	—
Crops (\$ bil.)	89	85	81	84	81	—	—	—	—
Market basket (1982-84=100)									
Retail cost	142	142	144	142	145	—	—	—	—
Farm value	107	104	104	105	106	—	—	—	—
Spread	180	182	185	182	186	—	—	—	—
Farm value/retail cost (%)	27	26	25	26	26	—	—	—	—
Retail prices (1982-84=100)									
Food	141	141	142	141	143	144	—	—	—
At home	140	140	141	140	143	143	—	—	—
Away from home	143	144	144	143	145	145	—	—	—
Agricultural exports (\$ bil.) 2/	10.1	9.2	11.9	42.6	11.1	10.2	9.3	—	42.5
Agricultural imports (\$ bil.) 2/	6.3	5.7	6.6	24.5	6.6	6.2	5.6	—	25.0
Commercial production									
Red meat (mil. lb.)	9,992	10,362	10,502	40,568	10,083	10,433	10,698	10,704	41,918
Poultry (mil. lb.)	6,991	7,034	6,973	27,539	6,890	7,375	7,420	7,295	28,980
Eggs (mil. doz.)	1,474	1,490	1,535	5,960	1,498	1,510	1,505	1,550	6,063
Milk (bil. lb.)	39.4	37.4	36.6	151.0	37.6	39.9	38.1	37.4	153.0
Consumption, per capita									
Red meat and poultry (lb.)	51.1	52.3	53.8	207.6	50.5	52.8	54.0	54.9	212.1
Corn beginning stocks (mil. bu.) 3/	7,906.4	5,678.2	3,709.4	1,100.3	2,113.0	5,936.5	3,995.7	2,358.2	2,113.0
Corn use (mil. bu.) 3/	2,229.2	1,970.8	1,599.3	8,476.1	2,525.7	1,948.8	1,644.0	1,486.5	7,605.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	79.78	73.77	71.23	76.36	73.10	68.75	66-68	69-73	69-71
Barrows & gilts—IA, So. MN (\$/cwt)	47.59	48.05	43.93	46.10	45.78	42.90	42-44	40-42	43-44
Broilers—12-city (cts./lb.)	55.8	56.9	54.9	55.2	55.1	60.0	58-60	54-58	57-58
Eggs—NY gr. A large (cts./doz.)	73.4	69.6	71.5	72.5	71.5	63.3	67-69	69-75	68-70
Milk—oil at plant (\$/cwt)	12.83	12.67	13.40	12.80	13.57	13.07	12.05-12.45	12.55-13.25	12.80-13.10
Wheat—KC HRW ordinary (\$/bu.)	3.48	3.36	3.69	3.59	3.81	—	—	—	—
Corn—Chicago (\$/bu.)	2.27	2.36	2.72	2.38	2.97	—	—	—	—
Soybeans—Chicago (\$/bu.)	5.95	6.66	6.48	6.18	6.77	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	55.6	53.8	56.8	55.4	70.7	77.4	—	—	—
	1986	1987	1988	1989	1990	1991	1992	1993	1994
Farm real estate values 5/									
Nominal (\$ per acre)	640	599	632	661	668	681	684	699	744
Real (1982 \$)	568	518	530	533	517	505	487	485	503

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter; Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter; Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages, Jan.-Dec. 5/ 1990-94 values as of January 1. 1986-89 values as of February 1. F = forecast, — = not available.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross Domestic Product & Related Data

	Annual			1993				1994
	1991	1992	1993	I	II	III	IV	I
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	5,722.9	6,038.5	6,377.9	6,261.6	6,327.6	6,395.9	6,526.5	6,623.1
Gross national product	5,737.1	6,045.8	6,378.1	6,262.1	6,327.1	6,402.3	6,520.9	6,618.6
Personal consumption expenditures	3,906.4	4,139.9	4,391.8	4,296.2	4,359.9	4,419.1	4,492.0	4,563.7
Durable goods	457.8	497.3	537.9	515.3	531.6	541.9	562.8	578.0
Nondurable goods	1,257.9	1,300.9	1,350.0	1,335.3	1,344.8	1,352.4	1,367.5	1,382.5
Clothing & shoes	213.0	228.2	237.3	233.1	235.2	238.2	242.7	243.7
Food & beverages	621.4	633.7	657.8	648.2	654.1	660.0	669.1	677.4
Services	2,190.7	2,341.8	2,503.9	2,445.5	2,483.4	2,524.8	2,581.8	2,603.2
Gross private domestic investment	736.9	796.5	891.7	874.1	874.1	884.0	934.5	970.0
Fixed investment	745.5	789.1	876.1	839.5	861.0	978.3	927.6	949.1
Change in business inventories	-8.6	7.3	15.6	34.6	13.1	7.7	6.9	20.9
Net exports of goods & services	-19.6	-29.6	-63.6	-48.3	-65.1	-71.9	-69.1	-83.5
Government purchases of goods & services	1,099.3	1,131.8	1,158.1	1,139.7	1,158.6	1,164.8	1,169.1	1,172.9
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,861.4	4,986.3	5,136.0	5,078.2	5,102.1	5,138.3	5,225.6	5,269.5
Gross national product	4,874.5	4,994.0	5,138.8	5,080.7	5,104.1	5,145.8	5,223.7	5,268.5
Personal consumption expenditures	3,258.6	3,341.8	3,453.2	3,403.8	3,432.7	3,469.6	3,508.9	3,551.9
Durable goods	426.6	456.6	490.0	471.9	484.2	493.1	510.9	523.4
Nondurable goods	1,048.2	1,082.9	1,088.1	1,076.0	1,083.1	1,093.0	1,100.2	1,111.8
Clothing & shoes	184.7	193.7	199.5	194.8	197.8	200.6	204.6	205.9
Food & beverages	518.7	520.5	531.0	528.7	528.6	532.6	536.0	540.9
Services	1,783.8	1,822.3	1,875.2	1,855.9	1,865.4	1,883.5	1,895.8	1,916.6
Gross private domestic investment	875.7	732.9	820.3	803.0	803.6	813.4	861.4	889.3
Fixed investment	684.1	728.4	806.0	773.7	790.6	806.9	852.9	868.7
Change in business inventories	-8.4	6.5	14.3	29.3	13.0	6.5	8.5	20.6
Net exports of goods & services	-19.1	-33.6	-76.5	-59.9	-75.2	-88.3	-84.5	-105.0
Government purchases of goods & services	946.3	945.2	938.9	931.3	941.1	941.7	941.7	933.3
GDP implicit price deflator (% change)	3.9	2.9	2.6	3.6	2.3	1.6	1.3	2.6
Disposable personal income (\$ bil.)	4,230.5	4,500.2	4,706.7	4,597.5	4,692.2	4,723.7	4,813.5	4,867.6
Disposable per. income (1987 \$ bil.)	3,529.0	3,632.5	3,700.9	3,642.6	3,694.4	3,708.7	3,757.9	3,788.4
Per capita disposable per. income (\$)	16,741	17,615	18,225	17,876	18,196	18,265	18,561	18,725
Per capita dis. per. income (1987 \$)	13,965	14,219	14,330	14,163	14,326	14,341	14,491	14,573
U.S. population, total, incl. military abroad (mil.) 1/	252.6	255.5	258.2	257.2	257.8	258.5	259.2	259.9
Civilian population (mil.) 1/	250.5	253.5	256.4	255.3	256.0	256.7	257.5	258.1
	Annual			1993				1994
	1991	1992	1993	May	Feb	Mar	Apr	May P
Monthly data seasonally adjusted								
Industrial production (1987=100)	104.1	106.5	110.9	110.0	115.0	115.7	115.9	116.1
Leading economic indicators (1987=100)	97.1	98.1	98.7	98.1	100.5	101.2	101.2	101.2
Civilian employment (mil. persons) 2/	116.9	117.6	119.3	119.2	122.3	122.0	122.3	122.9
Civilian unemployment rate (%) 2/	6.6	7.3	6.7	6.9	6.5	6.5	6.4	6.0
Personal income (\$ bil. annual rate)	4,850.9	5,144.9	5,388.3	5,380.4	5,603.5	5,637.7	5,673.3	5,709.4
Money stock—M2 (daily avg.) (\$ bil.) 3/	3,455.3	3,509.0	3,567.4	3,521.9	3,568.7	3,582.7	3,590.0	3,591.3
Three-month Treasury bill rate (%)	5.42	3.45	3.02	2.96	3.21	3.52	3.74	4.19
AAA corporate bond yield (Moody's) (%)	8.77	8.14	7.22	7.43	7.09	7.48	7.88	7.99
Housing starts (1,000) 4/	1,014	1,200	1,288	1,241	1,328	1,519	1,472	1,510
Auto sales at retail, total (mil.)	8.4	8.4	8.7	9.1	9.4	9.9	9.5	9.0
Business inventory/sales ratio	1.54	1.50	1.45	1.46	1.41	1.39	1.40	—
Sales of all retail stores (\$ bil.) 5/	1,863.0	1,959.1	2,081.6	171.9	182.0	185.3	183.2	182.8
Nondurable goods stores (\$ bil.)	1,209.5	1,251.8	1,297.0	107.7	111.1	112.0	111.1	111.2
Food stores (\$ bil.)	379.3	382.4	392.4	32.4	33.8	33.6	33.3	33.6
Eating & drinking places (\$ bil.)	194.1	200.6	211.0	17.5	18.2	18.6	18.5	18.3
Apparel & accessory stores (\$ bil.)	97.3	104.1	106.1	8.8	9.0	9.9	8.8	8.8

1/ Population estimates based on 1990 census. 2/ Data for 1994 are not directly comparable with data for 1993 and earlier years. 3/ Annual data as of December of the year listed. 4/ Private, including farm. 5/ Annual total. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 501-8541.

Table 3.—World Economic Growth

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993 E	1994 F	1995 F	Average 1984-93
Real GDP, annual percent change													
World	4.3	3.3	2.7	3.1	4.4	3.3	2.2	0.7	1.0	1.6	2.6	3.4	2.8
World, less U.S.	3.6	3.4	2.7	3.1	4.6	3.6	2.7	1.2	1.7	1.1	2.4	3.5	2.8
Developed	4.3	3.2	2.7	3.1	4.4	3.3	2.4	0.9	1.7	1.0	2.4	3.0	2.7
Developed, less U.S.	3.2	3.4	2.7	3.2	4.5	3.6	3.5	1.9	1.0	0.0	1.7	2.9	2.7
United States	6.0	3.0	2.8	3.0	3.9	2.6	0.8	-0.7	2.6	3.0	3.7	3.3	2.7
Canada	6.4	4.7	3.3	4.1	4.7	2.5	0.4	-1.7	0.7	2.4	3.3	3.7	2.7
Japan	4.3	5.0	2.7	4.1	6.2	4.7	5.2	4.3	1.1	0.1	0.6	2.7	3.8
Western Europe	2.4	2.5	2.7	2.6	3.7	3.2	2.8	1.1	0.9	-0.5	1.9	2.8	2.2
European Union	2.3	2.4	2.7	2.7	3.9	3.3	2.9	1.5	1.1	-0.3	1.9	2.8	2.2
Germany	2.8	1.9	2.2	1.4	3.7	3.6	5.7	4.5	2.1	-1.3	1.8	2.6	2.6
Central Europe	3.5	2.0	3.0	1.4	1.2	-0.1	-7.5	-14.1	-10.0	-0.1	1.5	2.4	-2.1
Former Soviet Union	4.1	1.7	3.8	2.8	5.3	3.0	-2.0	-11.8	-18.2	-13.0	-10.1	-2.2	-2.4
Russia	2.6	2.6	3.4	2.1	5.6	2.5	-2.0	-9.0	-19.0	-12.0	-10.0	-2.0	-2.9
Developing	4.4	3.9	3.4	4.1	4.8	3.8	3.7	3.8	5.4	5.5	5.2	5.6	4.3
Asia	7.7	6.4	6.6	7.8	9.5	5.8	6.3	6.1	7.7	7.8	7.3	7.5	7.1
Pacific-Asia	9.4	6.7	7.3	9.0	9.5	6.1	6.6	6.4	9.0	9.0	8.1	8.1	7.9
China	14.4	12.3	8.2	11.0	10.7	4.3	5.4	6.4	12.8	13.4	10.0	10.0	9.9
South Asia	3.9	5.6	4.9	4.8	9.4	5.1	5.5	1.8	4.0	4.2	4.9	5.6	4.9
India	3.7	5.4	4.1	4.9	9.7	5.0	5.8	1.8	3.7	4.1	4.8	5.5	4.8
Latin America	3.9	3.3	4.5	3.2	0.6	1.3	-0.1	3.1	2.2	3.4	3.1	3.8	2.5
Mexico	3.7	2.7	-3.9	1.8	1.2	3.4	4.5	3.6	2.6	0.4	3.2	4.2	2.0
Caribbean/Central	0.5	2.2	2.1	2.8	-0.6	2.1	1.4	0.1	0.2	2.2	2.0	2.2	1.3
South America	4.1	4.0	7.1	3.5	0.4	0.5	-1.7	3.0	1.9	4.4	3.2	3.9	2.7
Brazil	5.4	7.6	8.0	3.3	-0.2	3.3	-4.2	1.2	-0.9	5.0	3.3	3.6	2.9
Middle East	0.5	-0.6	-6.9	-2.0	-2.1	2.8	3.2	2.2	7.5	4.3	3.8	3.6	0.9
Africa	1.0	3.0	2.4	0.4	2.7	3.0	1.9	1.8	1.2	2.0	2.4	2.6	2.0
North Africa	2.7	3.1	0.4	-0.1	1.3	2.9	1.8	2.2	1.4	1.8	2.3	2.7	1.7
Sub-Saharan	-0.1	2.9	3.8	0.8	3.7	3.1	2.0	1.8	1.1	2.3	2.5	2.6	2.1
Middle East & N. Africa	1.1	0.5	-4.7	-1.4	-1.1	2.8	2.8	2.2	5.7	3.5	3.2	3.4	1.1

E = Estimate. F = forecast

Information contact: Alberto Jerardo, (202) 501-8318.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1993		1994					
	1991	1992	1993	June	Jan	Feb	Mar	Apr	May	R	June P
1977 = 100											
Prices received											
All farm products	148	139	143	140	147	148	148	148	142		139
All crops	129	121	123	113	135	135	132	131	131		129
Food grains	115	139	129	114	149	151	154	150	145		139
Feed grains & hay	117	110	115	110	136	138	136	135	135		135
Feed grains	115	114	110	104	133	136	132	128	127		131
Cotton	108	88	90	89	105	109	109	112	115		100
Tobacco	181	154	154	141	182	168	141	152	152		182
Oil-bearing crops	91	86	95	93	106	105	105	103	108		106
Fruit, all	264	175	175	153	150	149	148	163	155		144
Fresh market 1/	288	179	182	155	152	150	147	155	158		145
Commercial vegetables	135	158	159	126	169	157	136	117	124		138
Fresh market	140	156	166	120	177	161	134	109	118		134
Potatoes & dry beans	141	124	151	162	157	164	187	191	187		172
Livestock & products	161	157	162	166	159	161	163	161	154		149
Meat animals	188	176	183	188	175	179	181	178	169		162
Dairy products	126	135	132	134	141	139	139	139	133		132
Poultry & eggs	124	117	128	131	124	127	132	128	129		130
Prices paid											
Commodities & services											
Interest, taxes, & wage rates	187	189	195	196	196	198	198	200	200		200
Production items	173	174	179	180	181	181	181	184	184		184
Feed	123	123	124	—	137	—	—	136	—		—
Feeder livestock	214	202	218	—	211	—	—	209	—		—
Seed	163	162	169	—	168	—	—	175	—		—
Fertilizer	134	131	128	—	127	—	—	137	—		—
Agricultural chemicals	151	159	185	—	166	—	—	166	—		—
Fuels & energy	203	199	201	—	189	—	—	195	—		—
Farm & motor supplies	157	160	160	—	159	—	—	158	—		—
Autos & trucks	244	258	272	—	278	—	—	284	—		—
Tractors & self-propelled machinery	211	219	227	—	237	—	—	240	—		—
Other machinery	226	233	243	—	248	—	—	258	—		—
Building & fencing	146	150	159	—	160	—	—	166	—		—
Farm services & cash rent	189	171	174	—	175	—	—	175	—		—
Int. payable per acre on farm real estate debt	137	129	123	—	130	—	—	130	—		—
Taxes payable per acre on farm real estate	165	172	180	—	189	—	—	189	—		—
Wage rates (seasonally adjusted)	201	210	217	—	222	—	—	222	—		—
Production items, interest, taxes, & wage rates	172	173	178	—	180	—	—	183	—		—
Ratio, prices received to prices paid (%) 2/	78	74	73	71	75	75	75	73	71		70
Prices received (1910-14=100)	666	638	653	640	672	678	675	668	651		636
Prices paid, etc. (partly index) (1910-14=100)	1,285	1,303	1,340	—	1,361	—	—	1,378	—		—
Parity ratio (1910-14=100) (%) 2/	52	49	49	—	48	—	—	48	—		—

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 501-8541.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1993	1994					
	1991	1992	1993	June	Jan	Feb	Mar	Apr	May R	June P
CROPS										
All wheat (\$/bu.)	3.00	3.24	3.26	2.84	3.58	3.58	3.85	3.55	3.41	3.25
Rice, rough (\$/cwt)	7.58	5.89	8.35	5.02	8.98	10.10	10.20	9.93	10.00	9.78
Corn (\$/bu.)	2.37	2.07	2.55	2.09	2.79	2.79	2.74	2.65	2.60	2.57
Sorghum (\$/cwt)	4.01	3.38	4.20	3.40	4.70	4.59	4.31	4.20	4.20	4.53
All hay, baled (\$/ton)	71.20	74.30	81.80	79.80	85.70	86.90	90.80	98.20	100.00	88.70
Soybeans (\$/bu.)	5.58	5.58	6.40	5.90	6.72	6.71	6.74	6.57	6.77	6.79
Cotton, upland (cts./lb.)	58.8	54.9	5/ 58.0	53.8	63.7	66.0	66.1	67.7	69.3	60.7
Potatoes (\$/cwt)	4.96	5.52	6.22	6.45	6.05	6.49	7.56	7.76	6.63	6.77
Lettuce (\$/cwt) 2/	11.40	12.40	16.00	11.50	8.03	11.80	9.90	11.70	11.30	11.70
Tomatoes fresh (\$/cwt) 2/	31.80	35.80	31.60	23.50	41.10	18.80	24.20	18.50	20.60	35.30
Onions (\$/cwt)	12.50	13.00	15.80	10.40	31.70	34.50	18.00	10.20	8.34	8.38
Dry edible beans (\$/cwt)	15.60	19.90	24.10	16.50	28.60	25.40	28.00	25.80	25.20	27.00
Apples for fresh use (cts./lb.)	25.1	19.5	18.2	16.1	19.1	18.7	18.9	18.1	14.8	14.0
Pears for fresh use (\$/ton)	385.00	378.00	280.00	538.00	280.00	256.00	224.00	208.00	184.00	208.00
Oranges, all uses (\$/box) 3/	6.79	5.50	3.11	3.93	3.91	4.14	4.48	5.35	5.61	5.31
Grapefruit, all uses (\$/box) 3/	8.55	6.23	2.60	1.75	3.20	3.20	2.54	2.27	1.63	0.97
LIVESTOCK										
Beef cattle (\$/cwt)	72.87	71.33	73.38	74.50	70.00	70.20	72.30	72.00	67.20	63.60
Calves (\$/cwt)	99.93	89.38	95.92	99.10	94.00	95.00	97.60	95.70	89.60	86.10
Hogs (\$/cwt)	48.78	41.82	45.40	48.10	43.50	47.90	44.40	42.70	42.60	42.40
Lambs (\$/cwt)	52.49	60.78	64.60	55.70	60.80	60.00	58.80	54.70	54.70	59.20
All milk, sold to plants (\$/cwt)	12.27	13.15	12.86	13.00	13.70	13.50	13.50	13.50	12.90	12.80
Milk, manuf. grade (\$/cwt)	11.05	11.91	11.80	11.90	12.30	12.30	12.50	12.60	11.50	11.20
Broilers (cts./lb.)	31.0	30.8	34.2	35.0	33.4	34.0	35.3	35.3	37.1	37.7
Eggs (cts./doz.) 4/	66.0	56.2	62.7	66.3	61.9	63.7	65.9	61.7	58.2	58.2
Turkeys (cts./lb.)	37.7	37.6	39.0	37.6	38.8	37.1	38.4	39.1	39.5	40.0

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns.
 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average for Aug. 1 - Mar. 31. P = preliminary. R = revised.
 — = not available.

Information contact: Ann Duncan (202) 501-8541.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1993			1994					
	1993	June	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1982-84=100										
Consumer Price Index, all items	144.5	144.4	145.8	145.8	146.2	146.7	147.2	147.4	147.5	148.0
Consumer Price Index, less food	145.1	145.1	146.6	146.4	146.6	147.3	148.0	148.1	148.3	148.8
All food	140.9	140.4	141.9	142.7	143.7	142.9	143.2	143.4	143.5	143.5
Food away from home	143.2	143.2	144.2	144.3	144.5	144.6	144.8	145.1	145.3	145.5
Food at home	140.1	139.3	141.2	142.3	143.8	142.6	142.8	143.0	143.0	142.9
Meats 1/	134.6	134.9	136.3	135.9	136.1	136.0	136.4	136.0	136.2	135.4
Beef & veal	137.1	137.6	138.0	137.7	137.3	136.9	138.0	137.1	137.1	136.1
Pork	131.7	132.1	134.4	133.1	133.9	134.1	134.8	133.5	134.4	134.6
Poultry	136.9	136.5	139.7	141.1	140.5	140.4	140.1	140.9	141.8	143.6
Fish	156.6	154.8	158.9	158.7	163.2	160.9	161.8	163.7	161.6	162.6
Eggs	117.1	116.4	118.0	116.0	118.5	117.4	120.5	115.7	107.3	110.8
Dairy products 2/	129.4	129.8	129.5	130.2	131.6	131.8	131.8	131.8	132.0	132.2
Fats & oils 3/	130.0	130.1	129.2	129.4	131.3	131.5	132.8	133.2	133.4	133.5
Fresh fruit	188.8	176.1	194.4	205.4	207.2	194.8	199.1	198.1	204.6	193.3
Processed fruit	132.3	129.7	133.4	133.7	134.6	133.0	133.3	133.9	132.6	132.6
Fresh vegetables	168.4	167.1	166.1	174.9	161.7	168.1	167.0	163.9	162.8	168.7
Potatoes	154.6	163.4	158.3	165.0	169.4	171.3	179.8	186.3	179.9	185.7
Processed vegetables	130.8	130.9	131.7	132.8	135.8	136.1	135.7	136.4	137.2	137.3
Cereals & bakery products	156.6	156.7	157.9	158.9	160.3	161.3	160.4	162.5	162.3	163.4
Sugar & sweets	133.4	133.1	133.7	133.3	134.9	135.6	135.3	135.9	135.5	134.9
Beverages, nonalcoholic	114.6	114.6	115.4	114.8	116.1	116.0	116.0	115.5	115.6	115.8
Apparel										
Apparel, commodities less footwear	131.9	129.7	134.6	130.3	127.5	130.1	134.5	134.7	133.6	131.4
Footwear	125.9	125.6	127.4	125.8	125.9	125.9	127.0	128.0	128.5	127.3
Tobacco & smoking products	228.4	236.2	214.5	215.5	217.6	217.4	217.7	218.0	220.6	220.8
Beverages, alcoholic	149.6	149.6	150.0	150.3	151.0	151.1	151.4	151.6	151.5	151.7

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 501-8541.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1993		1994				
	1991	1992	1993	May	Dec	Jan R	Feb	Mar	Apr	May
	1982 = 100									
All commodities	116.5	117.2	118.9	119.7	118.8	119.1	119.2	119.7	119.8	119.9
Finished goods 1/	121.7	123.2	124.7	125.8	124.1	124.5	124.8	125.0	125.0	122.9
All foods 2/	122.2	120.9	123.6	125.0	126.2	125.8	125.0	126.1	125.7	125.2
Consumer foods	124.1	123.3	125.7	126.9	127.2	127.0	126.7	127.5	127.0	126.5
Fresh fruit & melons	129.9	84.0	84.2	90.7	95.0	82.7	84.4	86.3	80.8	89.6
Fresh & dried vegetables	103.8	115.0	133.5	164.3	171.3	154.3	112.4	116.6	113.3	117.1
Dried fruit	111.8	114.6	118.2	116.2	119.4	121.1	121.5	120.6	120.6	123.0
Canned fruit & juice	128.6	134.5	126.1	124.7	126.4	126.7	126.6	125.7	126.8	125.9
Frozen fruit & juice	116.3	125.9	110.9	105.2	115.9	116.1	113.5	113.1	113.0	112.2
Fresh veg. excl. potatoes	100.2	116.4	126.4	164.3	167.0	146.3	99.4	96.1	91.4	91.5
Canned veg. & juices	112.9	109.5	110.8	110.0	112.6	113.1	115.1	117.4	115.7	119.7
Frozen vegetables	117.6	116.4	121.0	119.9	124.7	125.5	126.7	127.8	126.7	128.2
Potatoes	125.7	118.4	144.9	142.3	178.8	170.5	165.6	180.3	167.6	147.8
Eggs for fresh use (1991=100)	3/	78.6	86.8	82.9	86.0	82.9	88.3	91.8	81.5	69.2
Bakery products	146.6	152.5	156.6	156.0	158.1	158.5	158.9	158.9	159.2	159.6
Meats	113.6	106.7	110.5	114.7	106.2	106.2	108.4	109.9	109.4	106.6
Beef & veal	112.2	109.5	112.9	120.5	106.4	105.0	105.5	110.3	110.4	106.6
Pork	113.4	98.9	105.4	107.2	102.1	104.0	110.4	107.7	105.7	103.1
Processed poultry	109.9	109.0	111.6	111.5	113.5	112.7	112.9	116.3	117.2	116.9
Fish	149.5	156.1	156.7	159.1	155.2	171.2	155.1	162.1	159.2	158.1
Dairy products	114.6	117.9	118.1	118.5	121.0	120.3	119.9	120.8	121.6	121.1
Processed fruits & vegetables	119.6	120.8	118.3	116.7	120.4	120.8	121.4	121.9	121.5	122.6
Shortening & cooking oil	116.5	115.1	123.0	120.1	133.7	140.1	140.2	139.7	141.7	143.3
Soft drinks	125.5	125.6	126.3	126.3	125.3	126.9	127.6	126.9	126.9	126.9
Consumer finished goods less foods	118.7	120.8	121.7	123.3	119.4	119.9	120.6	120.5	120.7	121.3
Beverages, alcoholic	123.7	126.1	126.0	126.6	125.8	126.4	127.7	126.0	126.0	125.3
Apparel	119.6	122.2	123.2	123.3	123.1	123.3	123.5	123.6	123.2	123.6
Footwear	128.6	132.0	134.4	134.1	135.1	135.5	135.8	135.4	135.7	135.7
Tobacco products	249.7	275.3	260.1	296.9	224.2	224.7	224.9	224.7	224.7	224.7
Intermediate materials 4/	114.4	114.7	116.2	116.2	116.0	116.2	116.8	116.8	116.8	117.3
Materials for food manufacturing	115.3	113.9	115.6	115.6	118.8	118.9	119.2	119.9	120.9	120.3
Flour	96.8	109.5	109.3	107.2	114.6	113.9	113.1	111.9	110.1	111.0
Refined sugar 5/	121.6	119.8	118.3	118.2	118.3	117.8	118.3	118.3	118.1	118.4
Crude vegetable oils	103.0	97.1	110.3	104.1	135.6	142.4	138.8	140.3	136.7	138.5
Crude materials 6/	101.2	100.4	102.4	106.5	101.0	103.2	100.9	104.8	104.4	103.3
Foodstuffs & feedstuffs	105.5	105.1	108.4	112.2	112.1	112.2	112.8	114.0	113.1	110.0
Fruits & vegetables & nuts 7/	114.7	96.9	106.0	120.8	126.4	113.3	97.1	99.6	96.1	101.0
Grains	92.0	97.3	94.4	91.1	116.4	118.0	118.8	112.5	109.3	106.8
Livestock	107.9	104.7	107.0	112.8	99.2	100.7	103.8	104.7	104.9	98.5
Poultry, live	111.2	112.8	122.0	132.3	116.4	110.9	119.6	129.5	126.8	138.2
Fibers, plant & animal	116.1	89.8	91.3	93.3	98.1	107.1	119.0	120.8	123.4	129.2
Fluid milk	89.5	96.1	93.8	95.9	98.8	99.3	97.9	98.4	99.6	97.8
Oilseeds	106.4	107.5	115.9	114.2	127.1	127.4	127.4	129.4	125.3	125.5
Tobacco, leaf	101.1	101.0	99.6	91.8	105.5	105.5	109.4	96.3	—	98.9
Sugar, raw cane	113.7	112.1	113.2	111.4	115.3	115.1	114.9	114.9	115.4	115.6

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. R = revised.

Information contact: Ann Duncan (202) 501-8541.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1993		1994				
	1991	1992	1993	May	Dec	Jan	Feb	Mar	Apr	May
Market basket 1/										
Retail cost (1982-84=100)	137.4	138.4	141.9	142.8	144.6	145.8	144.4	144.6	144.8	144.9
Farm value (1982-84=100)	106.1	103.4	104.9	107.9	105.4	106.3	105.1	108.1	103.1	104.1
Farm-retail spread (1982-84=100)	154.2	157.3	181.9	181.3	185.7	167.1	185.5	185.3	187.3	168.9
Farm value-retail cost (%)	27.0	26.2	25.9	28.5	25.5	25.5	25.5	25.7	24.9	25.2
Meat products										
Retail cost (1982-84=100)	132.5	130.7	134.6	134.7	135.9	136.1	136.0	136.4	138.0	136.2
Farm value (1982-84=100)	110.0	104.5	107.2	113.2	97.4	97.1	101.5	103.1	102.1	99.3
Farm-retail spread (1982-84=100)	155.8	157.5	182.8	156.8	175.4	178.2	171.4	170.5	170.8	174.0
Farm value-retail cost (%)	42.0	40.5	40.3	42.5	36.3	36.1	37.8	38.3	38.0	36.9
Dairy products										
Retail cost (1982-84=100)	125.1	128.5	129.4	128.0	130.2	131.8	131.8	131.8	131.8	132.0
Farm value (1982-84=100)	90.0	95.9	93.0	92.4	97.2	98.1	96.3	96.6	96.2	100.3
Farm-retail spread (1982-84=100)	157.5	158.6	182.9	160.9	160.6	182.5	184.8	184.2	184.6	181.3
Farm value-retail cost (%)	34.5	35.8	34.5	34.8	35.8	35.8	35.0	35.2	35.0	38.4
Poultry										
Retail cost (1982-84=100)	131.5	131.4	136.9	138.6	141.1	140.5	140.4	140.1	140.9	141.8
Farm value (1982-84=100)	102.5	104.0	111.5	115.4	110.9	108.3	110.1	114.3	114.8	119.7
Farm-retail spread (1982-84=100)	184.9	183.0	186.2	181.1	175.9	177.5	175.3	169.8	171.2	187.3
Farm value-retail cost (%)	41.7	42.4	43.6	45.2	42.1	41.3	42.0	43.7	43.5	45.2
Eggs										
Retail cost (1982-84=100)	121.2	108.3	117.1	114.9	116.0	118.5	117.4	120.5	115.7	107.3
Farm value (1982-84=100)	100.9	77.8	88.9	83.5	89.2	88.8	89.9	95.4	85.2	78.0
Farm-retail spread (1982-84=100)	157.6	163.2	167.8	171.3	184.2	175.8	166.8	185.6	170.4	159.9
Farm value-retail cost (%)	53.6	48.1	48.8	48.7	49.4	47.0	49.2	50.9	47.3	46.7
Cereal & bakery products										
Retail cost (1982-84=100)	145.8	151.5	158.8	158.3	158.9	160.3	161.3	160.4	162.5	162.3
Farm value (1982-84=100)	85.3	94.7	91.4	88.2	108.0	108.4	108.7	110.8	107.9	107.4
Farm-retail spread (1982-84=100)	154.3	159.4	165.6	185.8	186.0	187.8	188.6	187.3	170.1	170.0
Farm value-retail cost (%)	7.2	7.7	7.1	6.9	8.3	8.1	8.2	8.5	8.1	8.1
Fresh fruits										
Retail cost (1982-84=100)	200.1	189.8	195.8	193.1	218.6	217.0	198.8	204.5	205.0	212.5
Farm value (1982-84=100)	174.4	122.5	134.8	132.5	128.2	135.5	115.1	114.3	113.1	124.9
Farm-retail spread (1982-84=100)	211.9	220.8	224.0	221.1	257.4	254.8	237.5	246.1	247.4	252.9
Farm value-retail cost (%)	27.5	20.4	21.7	21.7	18.7	19.7	18.3	17.7	17.4	18.6
Fresh vegetables										
Retail cost (1982-84=100)	154.4	157.9	168.4	189.6	174.9	181.7	168.1	167.0	163.8	162.8
Farm value (1982-84=100)	110.8	120.5	128.4	155.3	149.7	168.3	138.5	132.2	102.5	110.0
Farm-retail spread (1982-84=100)	178.8	177.2	189.0	207.2	187.9	188.8	183.3	184.9	195.3	189.9
Farm value-retail cost (%)	24.4	25.9	25.9	27.8	29.1	31.5	28.0	26.9	21.3	23.0
Processed fruits & vegetables										
Retail cost (1982-84=100)	130.2	133.7	131.5	130.2	133.2	135.0	134.2	134.2	134.8	134.4
Farm value (1982-84=100)	120.6	129.0	106.3	102.9	118.7	117.0	115.5	114.8	114.0	113.3
Farm-retail spread (1982-84=100)	133.2	135.2	139.4	138.7	137.7	140.6	140.0	140.3	141.3	141.0
Farm value-retail cost (%)	22.0	22.9	19.2	18.8	21.2	20.8	20.5	20.3	20.1	20.0
Fats & oils										
Retail cost (1982-84=100)	131.7	129.8	130.0	129.4	129.4	131.3	131.5	132.6	133.2	133.4
Farm value (1982-84=100)	98.0	93.2	107.5	101.1	128.9	138.9	128.1	129.5	123.5	129.0
Farm-retail spread (1982-84=100)	144.2	143.3	138.3	139.8	129.6	129.2	133.5	133.8	136.8	135.0
Farm value-retail cost (%)	20.0	19.3	22.2	21.0	26.8	28.0	25.8	28.3	24.9	26.0
	Annual			1993		1994				
	1991	1992	1993	June	Jan	Feb	Mar	Apr	May	June
Beef, Choice										
Retail price 2/ (cts./lb.)	288.3	284.6	293.4	297.9	288.8	284.9	288.3	287.1	288.1	283.3
Wholesale value 3/ (csts.)	182.5	179.6	182.5	185.2	172.4	172.7	176.9	176.8	167.6	158.5
Net farm value 4/ (csts.)	160.2	161.8	164.1	165.8	154.4	155.5	160.8	160.8	145.8	133.9
Farm-retail spread (csts.)	128.1	122.8	129.3	132.1	132.4	129.4	127.7	128.3	142.3	149.4
Wholesale-retail 5/ (csts.)	105.8	105.0	110.9	112.7	114.4	112.2	111.4	110.3	120.5	124.8
Farm-wholesale 6/ (csts.)	22.3	17.8	18.4	19.4	18.0	17.2	16.3	16.0	21.8	24.6
Farm value-retail price (%)	56	57	56	56	54	55	56	56	51	47
Pork										
Retail price 2/ (csts./lb.)	211.9	198.0	197.6	196.5	201.2	199.9	201.4	198.7	198.8	199.0
Wholesale value 3/ (csts.)	108.9	98.9	102.8	105.7	106.4	108.1	105.0	103.3	102.2	99.1
Net farm value 4/ (csts.)	78.4	67.8	72.5	77.0	69.7	78.6	70.2	67.6	67.4	67.8
Farm-retail spread (csts.)	133.5	130.2	125.1	119.6	131.5	123.3	131.2	131.1	131.4	131.2
Wholesale-retail 5/ (csts.)	103.0	99.1	94.8	90.8	94.8	91.8	96.4	95.4	96.6	99.9
Farm-wholesale 6/ (csts.)	30.6	31.1	30.3	28.7	38.7	31.5	34.8	35.7	34.8	31.3
Farm value-retail price (%)	37	34	37	39	35	38	35	34	34	34

1/ Retail costs are based on CPI-U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm-retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, & in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219-0867, Larry Dueser (202) 219-1269.

Table 9.—Price Indexes of Food Marketing Costs

	Annual			1993				1994	
	1991	1992	1993	I	II	III	IV	I	II P
	1967=100*								
Labor—hourly earnings & benefits	408.7	418.8	431.9	428.9	432.6	432.2	435.7	438.4	440.8
Processing	420.4	436.7	448.9	443.5	450.1	450.1	452.1	455.5	458.5
Wholesaling	443.8	458.6	475.2	469.6	475.7	476.1	479.3	484.1	487.6
Retailing	383.9	383.4	395.7	391.0	396.1	395.0	400.2	401.2	402.4
Packaging & containers	371.2	370.1	371.1	370.8	369.3	368.4	370.1	377.1	378.8
Paperboard boxes & containers	320.3	324.8	322.9	324.2	323.5	322.4	321.4	324.4	328.2
Metal cans	470.5	478.1	487.7	478.0	478.2	477.7	510.9	520.3	518.8
Paper bags & related products	410.9	387.8	387.3	392.5	390.8	385.1	381.0	379.7	385.8
Plastic films & bottles	310.7	309.9	307.9	311.2	305.2	304.9	310.3	308.3	306.0
Glass containers	446.0	444.4	446.8	442.8	444.8	450.3	449.1	449.0	452.3
Metal foil	251.6	241.0	238.8	239.4	238.5	238.5	238.9	236.1	235.1
Transportation services	422.6	426.1	425.9	425.4	426.0	426.2	428.0	430.2	433.8
Advertising	460.1	484.0	507.0	500.2	505.8	510.1	514.4	524.8	527.8
Fuel & power	655.7	654.8	671.7	661.2	676.2	676.9	672.3	657.1	654.0
Electric	508.3	514.0	522.3	506.1	520.9	549.4	513.0	506.5	515.0
Petroleum	649.8	639.9	638.9	645.7	664.0	609.5	636.3	585.4	581.1
Natural gas	1,065.0	1,061.1	1,132.9	1,108.4	1,118.5	1,139.0	1,164.7	1,185.7	1,157.8
Communications, water & sewage	281.7	286.9	270.0	269.0	268.4	270.3	272.2	275.0	276.6
Rent	282.7	278.3	273.1	273.8	274.0	272.3	271.5	272.0	272.0
Maintenance & repair	442.7	454.8	465.2	462.8	466.2	467.4	464.5	467.3	472.0
Business services	425.4	441.9	459.9	451.9	457.9	463.1	466.7	468.9	470.9
Supplies	319.3	318.1	321.3	319.6	321.9	321.6	322.1	319.9	322.9
Property taxes & insurance	480.5	496.7	512.9	507.5	510.9	514.8	518.4	522.8	528.7
Interest, short-term	114.5	74.4	64.7	64.3	63.7	64.8	65.9	71.7	92.5
Total marketing cost index	409.3	415.8	425.2	421.4	425.3	425.6	428.5	430.7	433.0

* Indexes measure changes in employee earnings & benefits & in prices of supplies & services used in processing, wholesaling, & retailing U.S. farm foods purchased for at-home consumption. P = preliminary.

Information contact: Denis Dunham (202) 219-0867.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Beg. stocks	Produc- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
Million pounds 4/							Pounds		
Beef									
1992	419	23,086	2,440	25,945	1,324	360	24,261	66.5	75.36
1993	360	23,049	2,401	25,810	1,275	529	24,006	65.1	76.36
1994 F	529	24,051	2,380	26,960	1,480	475	25,005	67.1	69-71
1995 F	475	24,557	2,450	27,482	1,545	450	25,487	67.7	66-72
Pork									
1992	388	17,234	645	18,267	407	385	17,475	53.1	43.03
1993	385	17,088	740	18,213	435	359	17,419	52.3	46.10
1994 F	359	17,425	775	18,559	435	375	17,749	52.8	43-44
1995 F	375	18,458	675	19,508	465	375	18,668	55.0	38-42
Veal 5/									
1992	7	310	0	317	0	5	312	1.0	89.38
1993	5	285	0	290	0	4	286	0.9	95.92
1994 F	4	292	0	296	0	5	291	0.9	90-93
1995 F	5	290	0	295	0	5	290	0.9	87-93
Lamb & mutton									
1992	6	348	50	404	8	8	388	1.4	61.00
1993	8	337	53	398	8	8	381	1.3	65.85
1994 F	8	341	51	400	8	9	383	1.3	58-60
1995 F	9	308	60	377	8	9	360	1.2	60-66
Total red meat									
1992	820	40,978	3,135	44,933	1,739	758	42,436	121.9	---
1993	758	40,759	3,194	44,711	1,718	900	42,092	119.6	---
1994 F	900	42,109	3,206	46,215	1,923	864	43,428	122.1	---
1995 F	864	43,613	3,185	47,662	2,018	839	44,805	124.9	---
Broilers									
1992	300	20,904	0	21,204	1,489	368	19,347	66.8	52.6
1993	368	22,015	0	22,383	1,966	358	20,059	68.3	55.2
1994 F	358	23,296	0	23,654	2,390	400	20,864	70.3	57-58
1995 F	400	24,365	0	24,765	2,495	390	21,880	73.0	52-56
Mature chicken									
1992	10	520	0	530	41	10	479	1.9	---
1993	10	515	0	525	56	8	461	1.8	---
1994 F	8	518	0	525	67	7	452	1.7	---
1995 F	7	522	0	529	67	6	456	1.7	---
Turkeys									
1992	264	4,777	0	5,041	171	272	4,599	18.0	60.2
1993	272	4,798	0	5,069	212	249	4,608	17.8	62.6
1994 F	249	4,939	0	5,188	250	265	4,672	17.9	63-64
1995 F	265	5,047	0	5,312	265	265	4,782	18.2	59-63
Total poultry									
1992	575	26,201	0	26,775	1,701	650	24,425	86.4	---
1993	650	27,328	0	27,977	2,234	615	25,128	87.9	---
1994 F	615	28,753	0	29,367	2,708	672	25,988	89.9	---
1995 F	672	29,934	0	30,606	2,827	661	27,118	92.9	---
Red meat & poultry									
1992	1,395	67,179	3,135	71,708	3,440	1,408	66,861	208.4	---
1993	1,408	68,087	3,194	72,688	3,953	1,515	67,221	207.6	---
1994 F	1,515	70,862	3,206	75,582	4,631	1,536	69,416	212.1	---
1995 F	1,536	73,547	3,185	78,268	4,845	1,500	71,923	217.7	---

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.6). 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100-1,300 lb.; pork: barrows & gilts, Iowa, Southern Minnesota; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys, wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning in 1989, veal trade is no longer reported separately. F = forecast. — = not available.

Information contacts: Polly Cochran or Maxine Davis (202) 219-0998.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro- duc- tion	Im- ports	Total supply	Ex- ports	Hatch- ing use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
									No.	Cts./doz.
Million dozen										
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.9	62.1
1989	15.2	5,598.2	25.2	5,638.5	91.6	643.9	10.7	4,892.4	237.3	81.9
1990	10.7	5,665.6	9.1	5,685.3	100.8	678.5	11.6	4,894.4	235.0	82.2
1991	11.6	5,779.3	2.3	5,793.3	154.5	708.6	13.0	4,917.2	233.5	77.5
1992	13.0	5,884.8	4.3	5,902.1	157.0	732.0	13.5	4,999.6	234.8	65.4
1993	13.5	5,960.2	4.7	5,978.3	158.9	769.3	10.7	5,039.4	234.2	72.5
1994 P	10.7	6,062.9	4.5	6,078.1	167.2	800.0	12.0	5,098.9	234.6	67-71
1995 F	12.0	6,115.0	4.5	6,131.5	162.0	830.0	12.0	5,127.5	233.6	64-70

* Cartoned grade A large eggs, New York. F = forecast P = preliminary.

Information contact: Maxine Davis (202) 501-6777.

Table 12.—U.S. Milk Supply & Use^{1/}

	Production	Farm use	Commercial			Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals	
			Farm marketings	Beg stock	Imports			Ending stocks	Disappearance		Skim solids basis	Total solids basis 2/
			Billion pounds (milkfat basis)								\$/cwt	Billion pounds
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.51	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.2	2.2	142.9	4.6	2.4	149.9	9.1	4.3	136.5	12.26	5.5	6.9
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.4	13.56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	138.9	13.68	1.6	4.6
1991	148.5	2.0	146.5	6.1	2.6	154.3	10.4	4.5	139.4	12.24	3.9	6.5
1992	151.6	1.9	149.7	4.6	2.5	156.7	10.0	4.7	142.1	13.09	2.0	5.4
1993	151.0	1.9	149.0	4.7	2.8	156.6	6.7	4.6	145.2	12.86	4.2	5.2
1994 F	153.0	1.8	151.1	4.6	2.8	156.5	5.3	4.5	148.6	12.90	4.9	5.1

1/ Delivered to plants & dealers, does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent) F = forecast.

Information contact: Jim Miller (202) 219-0770.

Table 13.—Poultry & Eggs

	Annual			1993		1994				
	1991	1992	1993	May	Dec	Jan	Feb	Mar	Apr	May
Broilers										
Federally inspected slaughter, certified (mil. lb.)	19,727.7	21,052.4	22,178.1	1,790.4	1,877.4	1,887.0	1,758.0	2,028.0	1,923.2	1,978.0
Wholesale price, 12-city (cts./lb.)	52.0	52.6	55.2	57.9	53.2	52.7	55.2	57.5	57.8	61.4
Price of grower feed (\$/ton)	208	208	209	207	217	223	227	221	221	225
Broiler-lead price ratio 1/	3.0	3.1	3.3	3.4	3.1	3.0	3.0	3.2	3.2	3.3
Stocks beginning of period (mil. lb.)	241.6	300.4	367.9	389.2	352.1	357.9	381.0	405.9	373.2	403.8
Broiler-type chicks hatched (mil.) 2/	6,616.5	6,892.8	7,218.3	634.2	623.3	617.7	557.8	643.0	629.2	661.0
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,651.9	4,828.9	4,847.7	378.7	375.3	347.8	342.0	400.9	380.6	413.3
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	61.3	60.2	62.6	58.8	68.2	60.1	59.3	61.0	61.6	63.1
Price of turkey grower feed (\$/ton)	231	242	248	243	247	254	256	258	261	255
Turkey-lead price ratio 1/	3.3	3.1	3.1	3.0	3.3	2.9	2.9	3.0	3.0	3.1
Stocks beginning of period (mil. lb.)	306.4	264.1	271.7	424.3	290.6	249.1	279.8	304.8	346.5	399.1
Poults placed in U.S. (mil.)	308.1	307.8	308.9	28.0	25.3	25.4	25.1	28.4	28.1	29.3
Eggs										
Farm production (mil.)	69,352	70,618	71,522	6,009	6,243	6,137	5,559	6,279	6,035	6,150
Average number of layers (mil.)	275	278	283	281	288	288	288	289	289	287
Rate of lay (eggs per layer on farms)	252.4	253.9	252.6	21.4	21.7	21.3	19.3	21.7	20.9	21.4
Cartoned price, New York, grade A large (cts./doz.) 3/	77.5	65.4	72.5	67.6	72.2	68.0	72.1	74.4	65.0	61.9
Price of laying feed (\$/ton)	192	199	202	200	207	217	220	220	216	216
Egg-lead price ratio 1/	6.8	5.7	6.2	6.3	6.1	5.7	5.8	6.0	5.7	5.4
Stocks, first of month										
Shell (mil. doz.)	0.45	0.63	0.45	0.18	0.18	0.30	0.21	0.24	0.27	0.24
Frozen (mil. doz.)	11.2	12.3	13.0	10.9	10.3	10.4	11.2	12.0	11.9	12.4
Replacement chicks hatched (mil.)	420	386	406	36.7	30.4	32.8	31.1	33.3	35.7	35.2

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Maxine Davis (202) 501-6777.

Table 14.—Dairy

	Annual			1993		1994					
	1991	1992	1993	May	Dec	Jan	Feb	Mar	Apr	May	
Milk prices, Minnesota-Wisconsin, 2.5% fat (\$/cwt) 1/	11.05	11.88	11.80	12.52	12.51	12.41	12.41	12.77	12.99	11.51	
Wholesale prices											
Butter, grade A Chi. (cts./lb.)	99.3	82.5	74.4	75.2	69.7	64.0	64.0	65.5	65.5	65.1	
Am. cheese, Wla. assembly pt. (cts./lb.)	124.4	131.9	131.5	141.7	133.7	132.2	134.2	140.0	143.3	125.7	
Nonfat dry milk (cts./lb.) 2/	94.0	107.1	112.0	118.2	112.7	109.8	109.9	110.5	110.6	108.5	
USDA net removals 3/											
Total milk equiv. (mil. lb.) 4/	10,426.0	9,936.6	8,661.3	1,131.6	471.8	1,102.4	1,003.9	274.6	467.8	992.5	
Butter (mil. lb.)	442.9	439.5	289.0	50.4	20.8	49.6	45.4	11.9	21.4	44.5	
Am. cheese (mil. lb.)	78.9	14.4	8.3	0.7	0.2	0.1	0.2	0.1	0.1	0.1	
Nonfat dry milk (mil. lb.)	269.5	136.7	317.7	25.0	20.7	14.9	21.9	17.4	28.3	24.2	
Milk											
Milk prod., 21 States (mil. lb.)	125,671	128,223	127,383	11,410	10,461	10,837	9,802	11,079	11,038	11,452	
Milk per cow (lb.)	14,977	15,544	15,680	1,402	1,299	1,323	1,222	1,384	1,377	1,428	
Number of milk cows (1,000)	8,391	8,249	8,124	8,139	8,054	8,042	8,018	8,005	8,014	8,021	
U.S. milk production (mil. lb.)	148,477	151,647	150,954	6/ 13,513	6/ 12,427	6/ 12,721	6/ 11,722	6/ 13,249	6/ 13,171	6/ 13,665	
Stock, beginning											
Total (mil. lb.)	13,359	15,841	14,215	15,320	10,438	9,570	10,236	9,894	10,081	10,581	
Commercial (mil. lb.)	5,146	4,461	4,668	4,590	4,579	4,560	5,090	4,776	4,776	5,179	
Government (mil. lb.)	8,213	11,379	9,526	10,731	5,860	5,020	5,148	5,118	5,305	5,401	
Imports, total (mil. lb.)	2,625	2,524	2,807	244	335	209	185	259	255	—	
Commercial disappearance (mil. lb.)	139,343	142,081	145,341	12,098	12,158	11,127	11,072	13,072	12,379	—	
Butter											
Production (mil. lb.)	1,335.8	1,385.2	1,315.2	131.6	120.3	131.8	119.6	117.8	119.3	118.8	
Stocks, beginning (mil. lb.)	416.1	539.4	447.7	552.7	276.3	234.7	251.0	243.2	253.5	265.7	
Commercial disappearance (mil. lb.)	903.5	944.2	1,040.4	62.2	102.3	72.9	80.8	107.2	86.9	—	
American cheese											
Production (mil. lb.)	2,768.9	2,936.6	2,967.3	284.0	246.3	247.3	221.3	249.8	254.3	264.0	
Stocks, beginning (mil. lb.)	347.4	318.7	346.7	329.3	362.6	358.7	361.6	361.7	350.5	357.4	
Commercial disappearance (mil. lb.)	2,756.7	2,902.7	2,945.5	256.1	250.6	224.3	241.2	262.8	248.1	—	
Other cheese											
Production (mil. lb.)	3,285.9	3,551.7	3,570.9	292.9	312.8	291.2	266.2	335.0	299.0	323.5	
Stocks, beginning (mil. lb.)	110.6	97.5	120.9	131.6	100.5	107.0	115.5	113.8	123.2	130.8	
Commercial disappearance (mil. lb.)	3,576.2	3,795.4	3,884.3	319.1	346.7	302.2	307.3	353.7	316.2	—	
Nonfat dry milk											
Production (mil. lb.)	877.5	872.1	948.1	102.2	94.0	89.2	85.4	102.5	123.2	132.3	
Stocks, beginning (mil. lb.)	161.9	214.8	81.2	87.3	66.4	89.6	86.6	80.9	67.4	89.8	
Commercial disappearance (mil. lb.)	662.7	720.5	628.9	50.8	48.8	75.2	66.7	97	72.2	—	
Frozen dessert											
Production (mil. gal.) 5/	1,203.1	1,195.8	1,196.3	111.0	78.4	76.7	86.2	111.2	110.6	112.6	
	Annual			1992		1993				1994	
	1991	1992	1993	IV	I	II	III	IV	I	II P	
Milk production (mil. lb.)	148,477	151,647	150,954	37,132	37,808	39,411	37,364	36,571	37,692	39,965	
Milk per cow (lb.)	14,890	15,419	15,554	3,780	3,848	4,052	3,862	3,792	3,921	4,147	
No. of milk cows (1,000)	9,992	9,835	9,705	9,823	9,773	9,727	9,675	9,644	9,612	9,638	
Milk-feed price ratio	1.58	1.69	1.64	1.69	1.61	1.67	1.62	1.66	1.65	1.60	
Returns over concentrate costs (\$/cwt milk)	8.95	9.95	9.54	9.75	9.05	9.55	9.35	9.95	10.10	9.65	

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Estimated. — = not available. P = preliminary.

Information contact: LaVerne T. Williams (202) 219-1268.

Table 15.—Wool

	Annual			1993				1994	
	1991	1992	1993	I	II	III	IV	I	II
U.S. wool price, (cts./lb.) 1/	199	204	137	146	134	136	132	153	219
Imported wool price, (cts./lb.) 2/	187	210	142	150	137	128	150	171	202
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	137,187	136,143	139,941	35,549	35,910	35,502	34,419	38,520	—
Carpet wool (1,000 lb.)	14,352	14,695	15,865	4,513	4,343	2,650	3,925	4,380	—

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.80-22.04 microns) staple 2-3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis, Australian 80/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. — = not available. P = preliminary.

Information contact: John Lawler (202) 501-8522.

Table 16.—Meat Animals

	Annual			1993		1994				
	1991	1992	1993	May	Dec	Jan	Feb	Mar	Apr	May
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,992	8,397	9,073	8,329	9,307	9,280	9,142	8,911	8,867	8,591
Placed on feed (1,000 head)	19,704	20,498	20,393	1,791	1,499	1,543	1,346	1,615	1,406	1,405
Marketings (1,000 head)	19,071	18,623	18,988	1,666	1,451	1,610	1,501	1,573	1,600	1,679
Other disappearance (1,000 head)	1,233	1,199	1,199	131	76	71	76	86	82	92
Market Prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	74.21	75.35	76.36	80.39	71.00	72.01	72.44	74.85	75.16	68.09
Neb. Direct	74.68	75.71	77.02	80.84	72.42	72.88	73.03	75.41	75.48	67.00
Boning utility cows, Sioux Falls	50.66	44.84	47.52	49.00	42.38	42.54	44.06	46.72	47.31	46.67
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	86.47	91.72	95.58	87.42	86.88	88.59	91.41	89.44	85.15
750–800 lb.	—	81.76	86.45	86.09	85.33	83.20	81.91	81.31	81.19	76.08
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	49.69	43.03	46.10	47.69	40.88	44.26	48.50	44.58	42.83	42.87
6 markets	48.88	42.31	45.38	48.94	40.14	43.73	47.87	43.97	42.48	42.24
Feeder pigs										
S. Mo. 40–50 lb. (per head)	44.52	31.71	40.66	43.88	32.60	34.67	45.63	47.33	42.60	35.72
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	53.21	61.00	65.85	62.50	68.44	58.00	62.31	61.83	51.25	60.94
Ewes, Good, San Angelo	31.98	35.24	37.48	36.29	39.06	41.55	44.88	39.70	39.45	39.00
Feeder lambs										
Choice, San Angelo	53.29	62.21	69.32	62.50	72.00	69.85	74.00	68.20	61.95	64.70
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	117.24	116.02	117.71	128.64	108.06	110.08	110.28	113.63	113.99	107.79
Select, 700–800 lb.	112.73	111.66	113.53	117.48	104.34	107.13	107.93	111.21	111.98	103.44
Canner & cutter cow beef	99.42	93.85	95.43	96.36	89.50	91.51	92.91	93.89	91.62	90.51
Pork cutout, No. 2	67.02	58.37	62.19	63.15	58.98	59.75	64.43	60.96	59.81	58.45
Pork loins, 14–18 lb.	108.39	101.41	107.47	111.16	92.33	103.90	110.75	100.45	101.89	103.99
Pork bellies, 12–14 lb.	47.79	30.39	41.82	39.86	48.21	50.63	51.66	49.68	46.84	41.40
Hams, skinned, 20–26 lb.	73.55	66.67	66.90	63.68	57.45	59.52	67.60	64.27	67.76	54.44
All fresh beef retail price	271.05	266.79	273.43	275.85	273.55	269.29	289.88	271.60	267.25	267.60
Commercial slaughter (1,000 head) 2/										
Cattle	32,689	32,874	33,324	2,774	2,775	2,744	2,558	2,860	2,712	2,835
Steers	18,728	17,138	17,222	1,504	1,411	1,402	1,299	1,438	1,448	1,577
Heifers	9,925	9,238	9,358	768	768	785	743	830	752	760
Cows	5,626	5,845	6,089	452	545	510	470	537	458	444
Bulls & stags	614	653	659	53	51	47	46	57	54	55
Calves	1,436	1,371	1,195	85	106	102	96	114	94	93
Sheep & lambs	5,721	5,496	5,182	411	443	395	419	530	419	435
Hogs	88,169	94,889	93,068	7,147	8,397	7,467	6,949	8,330	7,782	7,559
Barrows & gilts	83,668	89,964	88,387	6,793	7,992	7,101	6,596	7,907	7,416	7,191
Commercial production (mil. lb.)										
Beef	22,800	22,968	22,942	1,857	1,948	1,942	1,801	2,001	1,902	1,985
Veal	296	299	267	19	24	23	22	26	22	19
Lamb & mutton	358	343	329	27	29	25	27	34	27	28
Pork	15,948	17,184	17,030	1,309	1,554	1,377	1,275	1,530	1,432	1,397

	Annual			1993				1994		
	1991	1992	1993	I	II	III	IV	I	II	III
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,827	10,135	10,884	10,884	10,452	9,473	9,651	11,108	10,624	—
Placed on feed (1,000 head)	23,208	24,241	24,011	5,321	5,314	6,341	7,046	5,337	—	—
Marketings (1,000 head)	22,383	22,056	22,316	5,314	5,833	5,893	5,276	5,544	—	—
Other disappearance (1,000 head)	1,517	1,436	1,484	439	460	270	315	275	—	—
Hogs & pigs (10 States) 3/										
Inventory (1,000 head) 1/	42,000	45,735	46,240	46,240	45,080	46,420	46,920	46,180	45,830	47,965
Breeding (1,000 head) 1/	5,257	5,610	5,515	5,515	5,470	5,630	5,610	5,595	5,495	5,815
Market (1,000 head) 1/	37,643	40,125	40,725	40,725	39,610	40,790	41,310	40,585	40,295	42,150
Farrowings (1,000 head)	9,516	9,895	9,424	2,210	2,521	2,332	2,361	2,286	2,578	* 2,455
Pig crop (1,000 head)	75,330	78,520	76,414	18,093	20,465	18,849	19,007	18,522	21,369	—

1/ Beginning of period. 2/ Classes estimated. 3/ Quarters are Dec. of preceding year—Feb. (I), Mar.—May (II), June—Aug. (III), & Sept.—Nov. (IV). — = not available.

* Intentions.

Information contact: Polly Cochran (202) 219-0998

Crops & Products

Table 17.—Supply & Utilization^{1,2}

	Area		Harvested	Yield	Production	Total supply	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm Price
	Set aside	Planted										
	3/					4/						5/
	Mil. acres			Bu./acre								\$/bu.
Wheat												
1989/90	9.6	76.6	62.2	32.7	2,037	2,761	139	853	1,232	2,224	538	3.72
1990/91	7.5	77.2	69.3	39.5	2,736	3,309	491	882	1,069	2,443	866	2.61
1991/92	15.9	88.9	57.7	34.3	1,981	2,888	246	887	1,282	2,416	472	3.00
1992/93*	7.3	72.3	62.4	39.4	2,459	3,001	186	933	1,354	2,472	529	3.24
1993/94*	5.7	72.2	62.6	38.3	2,402	3,036	279	960	1,225	2,485	571	3.26
1994/95*	4.7	70.5	62.0	39.0	2,419	3,071	250	977	1,175	2,402	669	2.65-3.25
Rice												
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
1989/90	1.18	2.73	2.69	5,749	154.5	185.0	—	6/ 82.0	77.2	159.2	26.4	7.35
1990/91	1.02	2.90	2.82	5,529	156.1	187.2	—	6/ 91.8	70.9	162.7	24.6	6.70
1991/92	0.9	2.86	2.78	5,874	157.5	187.3	—	6/ 93.5	66.4	159.9	27.4	7.58
1992/93*	0.4	3.18	3.13	5,738	179.7	213.2	—	6/ 96.7	77.0	173.7	39.4	5.89
1993/94*	0.7	2.92	2.83	5,510	156.1	202.6	—	6/ 98.7	81.0	179.7	22.9	8.25-8.45
1994/95*	0.2	3.36	3.30	5,697	188.0	218.9	—	6/ 101.0	83.0	184.0	34.9	5.00-6.50
Corn												
	Mil. acres			Bu./acre								\$/bu.
1989/90	10.8	72.2	64.7	116.3	7,525	9,458	4,389	1,356	2,388	8,113	1,344	2.38
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,781	1,521	2.28
1991/92	7.4	76.0	68.8	108.6	7,475	9,016	4,878	1,454	1,584	7,616	1,100	2.37
1992/93*	5.3	79.3	72.2	131.4	9,482	10,589	5,301	1,512	1,663	8,478	2,113	2.07
1993/94*	10.9	73.3	63.0	100.7	8,344	8,482	4,775	1,580	1,250	7,605	877	2.50-2.60
1994/95*	2.2	78.8	71.8	125.4	9,000	9,882	5,200	1,710	1,425	8,335	1,547	2.00-2.40
Sorghum												
	Mil. acres			Bu./acre								\$/bu.
1989/90	3.3	12.6	11.1	55.4	815	1,055	517	15	303	835	220	2.10
1990/91	3.3	10.6	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	9	292	674	53	2.25
1992/93*	2.0	13.3	12.2	72.8	894	937	478	7	277	762	175	1.89
1993/94*	2.3	10.5	9.5	58.9	568	743	475	8	190	673	70	2.30-2.40
1994/95*	1.5	10.2	9.3	66.2	615	685	400	8	175	583	102	1.80-2.20
Barley												
	Mil. acres			Bu./acre								\$/bu.
1989/90	2.3	9.1	8.3	48.6	404	614	193	175	84	453	161	2.42
1990/91	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92	2.2	8.9	8.4	55.2	464	624	225	176	94	496	129	2.10
1992/93*	2.3	7.8	7.3	62.5	458	598	195	172	80	447	151	2.04
1993/94*	2.5	7.8	6.8	58.9	400	621	243	175	65	483	138	1.99
1994/95*	2.4	7.3	6.8	59.3	406	599	225	175	60	460	139	1.85-2.25
Oats												
	Mil. acres			Bu./acre								\$/bu.
1989/90	0.4	12.1	6.9	54.3	374	538	266	115	1	381	157	1.49
1990/91	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92	0.6	8.7	4.8	50.7	243	489	235	125	2	362	128	1.21
1992/93*	0.7	8.0	4.5	65.8	295	477	234	125	6	364	113	1.32
1993/94*	0.8	7.9	3.8	64.4	206	424	191	125	3	319	106	1.36
1994/95*	0.6	6.7	4.1	60.1	248	429	175	125	2	302	127	1.00-1.40
Soybeans												
	Mil. acres			Bu./acre								\$/bu.
1989/90	0.0	60.8	59.5	32.3	1,924	2,109	7/ 101	1,146	623	1,870	239	5.69
1990/91	0.0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92	0.0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	664	2,041	278	5.58
1992/93*	0.0	59.1	58.2	37.6	2,188	2,466	7/ 127	1,279	770	2,176	292	5.56
1993/94*	0.0	59.4	56.4	32.0	1,809	2,106	7/ 96	1,260	580	1,938	170	6.40
1994/95*	0.0	61.8	60.7	35.5	2,155	2,330	7/ 105	1,300	625	2,030	300	5.10-6.10
Soybean oil												
												\$/ Cts./lb
1989/90	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92	—	—	—	—	14,345	16,132	—	12,245	1,648	13,893	2,239	19.10
1992/93*	—	—	—	—	13,778	16,027	—	13,053	1,419	14,472	1,555	21.40
1993/94*	—	—	—	—	13,665	15,275	—	13,050	1,200	14,250	1,025	27.25
1994/95*	—	—	—	—	14,625	15,675	—	13,250	1,200	14,450	1,225	23.0-27.0
Soybean meal												
												\$/ \$/ton
1989/90	—	—	—	—	27,719	27,900	—	22,263	5,319	27,582	318	186.48
1990/91	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181.40
1991/92	—	—	—	—	29,831	30,183	—	23,008	8,945	29,953	230	189.20
1992/93*	—	—	—	—	30,364	30,687	—	24,251	6,232	30,483	204	193.75
1993/94*	—	—	—	—	29,938	30,220	—	25,000	4,920	29,920	300	195.00
1994/95*	—	—	—	—	30,900	31,250	—	25,900	5,050	30,950	300	155-185

See footnotes at end of table

Table 17.—Supply & Utilization, continued

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Set Aside 3/	Planted	Harvested									
	Mil. acres		Lb./acre		Mil. bales						Cts./lb.	
Cotton 10/												
1989/90	3.5	10.0	9.5	614	12.2	19.3	—	8.8	7.7	16.5	3.0	66.20
1990/91	2.0	12.3	11.7	634	15.5	18.5	—	8.7	7.8	16.5	2.3	67.10
1991/92	1.2	14.1	13.0	652	17.6	20.0	—	9.6	8.7	16.3	3.7	58.10
1992/93*	1.7	13.2	11.1	699	16.2	19.9	—	10.3	5.2	15.5	4.7	54.90
1993/94*	1.4	13.4	12.8	606	16.2	20.8	—	10.4	7.0	17.4	3.5	58.00
1994/95*	1.7	14.1	13.0	655	18.0	21.5	—	10.6	7.3	17.9	3.7	11/ 12/

* July 12, 1994 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats; August 1 for cotton & rice; September 1 for soybeans, corn, & sorghum; October 1 for soybean meal & soybean oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres; 1 metric ton = 2,204.622 pounds; 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds, sesame, and crambe. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 48 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August 1-March 31; not a projection for the marketing year. 12/ USDA is prohibited from publishing cotton price projections. — = not available or not applicable.

Information contacts: Wheat, rice & feed grains, Jenny Gonzales (202) 501-8552; soybeans, soybean products & cotton, Mae Dean Johnson (202) 501-8522.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1993		1994				
	1989/90	1990/91	1991/92	1992/93	May	Jan	Feb	Mar	Apr	May	
Wheat, No. 1 HAR, Kansas City (\$/bu.) 2/	4.22	2.94	3.77	3.67	3.51	4.00	3.80	3.64	3.83	3.65	
Wheat, DNS, Minneapolis (\$/bu.) 3/	4.18	3.06	3.82	3.91	3.71	5.32	5.29	4.94	4.99	5.05	
Rice, S.W. La. (\$/cwt) 4/	15.55	15.25	16.50	13.30	11.90	26.25	25.40	23.65	22.75	21.00	
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.54	2.41	2.52	2.22	2.28	3.02	2.99	2.89	2.78	2.75	
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.21	4.08	4.36	3.74	3.82	4.93	4.81	4.64	4.33	4.38	
Barley, feed, Duluth (\$/bu.) 5/	2.20	2.13	2.17	2.11	2.05	2.15	2.16	2.07	2.08	2.11	
Barley, malting, Minneapolis (\$/bu.)	3.26	2.42	2.38	2.37	2.34	2.55	2.63	2.65	2.73	2.84	
U.S. price, SLM, 1-1/16 in. (cts./lb.) 6/	69.8	74.8	56.7	54.1	56.4	66.5	72.7	72.7	76.1	79.3	
Northern Europe price index (cts./lb.) 7/	82.3	82.9	82.9	56.9	60.0	69.3	80.5	82.1	83.9	86.1	
U.S. M 1-3/32 in. (cts./lb.) 8/	83.6	88.2	66.3	62.5	65.1	73.2	82.5	83.8	86.8	90.6	
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.86	5.78	5.75	5.96	5.96	6.92	6.77	6.81	6.62	6.79	
Soybean oil, crude, Decatur (cts./lb.)	22.30	21.00	19.10	21.40	21.16	29.91	28.85	29.03	27.94	27.72	
Soybean meal, 48% protein, Decatur (\$/ton) 9/	186.50	181.40	189.20	193.75	193.74	198.30	198.40	195.40	188.90	193.07	

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean meal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotton "A" Index; average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. 9/ Note change to 48% protein.

Information contacts: Wheat, rice, & feed grains, Jenny Gonzales (202) 501-8552; Soybeans, soybean products, & cotton, Mae Dean Johnson (202) 501-8522.

Table 19.—Farm Programs, Price Supports, Participation & Payment Rates

	Target Price ¹	Basic loan rate	Findley or announced loan rate 1/	Payment rates			Effective base acres 2/	Program 3/	Participation rate 4/
				Total deficiency	Paid land diversion				
					Mandatory	Optional			
				\$/bu.			Mil. acres	Percent of base	Percent of base
Wheat									
1989/90	4.10	2.58	2.08	0.32	---	---	82.3	10/0/0	78
1990/91 5/	4.00	2.44	1.95	1.28	---	---	80.5	5/0/0	83
1991/92	4.00	2.52	2.04	1.35	---	---	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	0.81	---	---	78.9	5/0/0	83
1993/94	4.00	2.88	2.45	**1.03	---	---	78.4	0/0/0	87
1994/95	4.00	2.72	2.58	**0.85	---	---	78.2	0/0/0	87
1995/96	4.00	---	---	---	---	---	---	0/0/0	---
Rice				\$/cwt					
1989/90	10.80	6.50	7/ 6.00	3.56	---	---	4.2	25/0/0	94
1990/91 5/	10.71	6.50	7/ 6.40	4.16	---	---	4.2	20/0/0	95
1991/92	10.71	6.50	7/ 5.85	3.07	---	---	4.2	5/0/0	95
1992/93	10.71	6.50	7/ 4.70	4.21	---	---	4.1	0/0/0	98
1993/94	10.71	6.50	7/ 5.75	**3.98	---	---	4.1	5/0/0	98
1994/95	10.71	6.50	7/ ---	***0.94	---	---	4.2	0/0/0	94
Corn				\$/bu.					
1989/90	2.84	2.08	1.65	0.58	---	---	82.7	10/0/0	79
1990/91 5/	2.75	1.98	1.57	0.51	---	---	82.5	10/0/0	78
1991/92	2.76	1.89	1.62	0.41	---	---	82.7	7.5/0/0	77
1992/93	2.76	2.01	1.72	0.73	---	---	82.1	5/0/0	76
1993/94	2.75	1.99	1.72	**0.28	---	---	81.8	10/0/0	81
1994/95	2.75	1.99	1.89	***0.40	---	---	81.6	0/0/0	82
Sorghum				\$/bu.					
1989/90	2.70	1.98	1.57	0.68	---	---	15.2	10/0/0	71
1990/91 5/	2.61	1.86	1.49	0.58	---	---	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	---	---	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	0.70	---	---	13.6	5/0/0	79
1993/94	2.61	1.89	1.63	**0.25	---	---	13.5	5/0/0	82
1994/95	2.61	1.89	1.80	***0.46	---	---	13.5	0/0/0	81
Barley				\$/bu.					
1989/90	2.44	1.68	1.34	0.00	---	---	12.3	10/0/0	87
1990/91 5/	2.36	1.60	1.28	0.20	---	---	11.9	10/0/0	88
1991/92	2.36	1.54	1.32	0.62	---	---	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	0.66	---	---	11.1	5/0/0	75
1993/94	2.36	1.62	1.40	**0.67	---	---	10.8	0/0/0	82
1994/95	2.36	1.62	1.54	***0.52	---	---	10.7	0/0/0	84
Oats				\$/bu.					
1989/90	1.50	1.06	0.85	0.00	---	---	7.6	5/0/0	18
1990/91 5/	1.45	1.01	0.81	0.32	---	---	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	---	---	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	0.17	---	---	7.2	0/0/0	40
1993/94	1.45	1.02	0.88	**0.11	---	---	7.1	0/0/0	46
1994/95	1.45	1.02	0.97	***0.00	---	---	6.6	0/0/0	41
Soybeans 9/				\$/bu.					
1989/90	---	---	4.53	---	---	---	---	---	---
1990/91 5/	---	---	4.50	---	---	---	---	---	---
1991/92	---	---	5.02	---	---	---	---	---	---
1992/93	---	---	5.02	---	---	---	---	---	---
1993/94	---	---	5.02	---	---	---	---	---	---
1994/95	---	---	4.92	---	---	---	---	---	---
Upland cotton				Cts./lb.					
1989/90	73.4	50.00	11/ 50.00	13.1	---	---	14.6	25/0/0	89
1990/91 5/	72.9	50.27	11/ 50.27	7.3	---	---	14.4	12.5/0/0	88
1991/92 12/	72.9	50.77	11/ 47.23	10.1	---	---	14.6	5/0/0	84
1992/93	72.9	52.35	11/ 43.80	20.3	---	---	14.9	10/0/0	89
1993/94	72.9	52.35	11/ 49.00	**18.6	---	---	15.1	7.5/0/0	91
1994/95	72.9	50.00	11/ ---	***12.9	---	---	15.3	11/0/0	89

1/ There are no Findley loan rates for rice or cotton. See footnotes 7/ and 11/. 2/ National effective crop acreage base as determined by ASCS. Net of CRP. 3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans must be reduced by 1.4 percent in 1990/91 due to Gramm-Rudman-Hollings. Budget Reconciliation Act reductions to deficiency payment rates were also in effect in that year. Data do not include these reductions. 6/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 7/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to market-year average loan repayment rates. 8/ The sorghum, oats, & barley programs are the same as for corn except as indicated. 9/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 10/ Nominal percentage of program crop base acres permitted to shift into soybeans without loss of base. 11/ A marketing loan has been in effect for cotton since 1988/87. In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average loan repayment rates. 12/ A marketing certificate program was implemented on Aug. 1, 1991. — = not available.

* For wheat, the 1991/92 rate is the total deficiency payment rate for the "regular" program. For the winter wheat option, the rate is \$1.25.

** For wheat, corn, sorghum, barley and oats, regular deficiency payment rate based on the 5-month price. For rice and upland cotton, total deficiency payment rate.

*** Estimated total deficiency payment rate. Minimum guaranteed payment rate for 0/85 (wheat & feed grains) & 50/85 (rice and upland cotton) programs. Sign-up for 1994 programs was March 1–April 29, 1994.

Note: 1993 effective base acres and participation rates are from the November 30 preliminary compliance report.

Information contact: Agricultural Stabilization and Conservation Service (202) 690-0445.

Table 20.—Fruit

	1985	1986	1987	1988	1989	1990	1991	1992	1993 P
Citrus 1/									
Production (1,000 ton)	10,525	11,058	11,993	12,761	13,186	10,860	11,285	12,452	15,338
Per capita consumpt. (lbs.) 2/	21.5	24.2	23.9	25.4	23.5	21.4	19.1	24.3	—
Noncitrus 3/									
Production (1,000 tons)	14,191	13,874	16,011	15,893	16,365	15,657	15,748	17,116	16,556
Per capita consumpt. (lbs.) 2/	65.1	68.7	73.4	71.7	73.0	70.8	70.8	74.4	—
	1993				1994				
F.o.b. shipping point prices ⁴	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Apples (\$/carton) 4/	13.34	12.33	12.00	12.00	12.00	13.00	12.30	11.25	10.43
Pears (\$/box) 5/	—	12.07	11.04	10.05	9.97	10.08	9.62	8.15	7.70
Grower prices									
Oranges (\$/box) 6/	10.52	11.67	5.25	3.95	3.91	4.14	4.48	5.35	5.61
Grapefruit (\$/box) 6/	3.51	8.13	4.19	4.38	3.20	3.20	2.54	2.27	1.53
Stocks, ending									
Fresh apples (mil. lbs.)	3,258.8	5,423.4	5,179.4	4,427.9	3,747.3	2,937.8	2,205.0	1,582.8	1,021.9
Fresh pears (mil. lbs.)	558.8	552.1	41.8	358.5	297.3	238.9	166.0	122.0	55.6
Frozen fruits (mil. lbs.)	997.9	1,179.0	1,110.8	1,008.8	935.7	848.3	769.6	761.2	752.9
Frozen orange juice (mil. lbs.)	875.7	817.2	890.9	955.5	1,229.0	1,407.3	1,273.8	1,499.6	1,593.7

1/ 1992 indicated 1991/92 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynne Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993 P
Production										
Total vegetables (1,000 cwt)	456,334	453,030	448,829	478,381	468,779	542,437	561,704	584,581	538,637	532,109
Fresh (1,000 cwt) 1/ 3/	201,817	203,549	203,165	220,539	228,397	239,281	239,104	229,505	245,752	237,027
Processed (tons) 2/ 3/	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,753,820	14,644,260	14,754,080
Mushrooms (1,000 lbs.) 4/	595,681	587,956	614,393	631,819	667,759	714,992	749,151	746,832	778,357	—
Potatoes (1,000 cwt)	362,039	406,609	361,743	389,320	358,438	370,444	402,110	417,822	425,367	419,415
Sweet potatoes (1,000 cwt)	12,902	14,573	12,368	11,611	10,945	11,358	12,584	11,203	12,005	11,053
Dry edible beans (1,000 cwt)	21,070	22,298	22,960	26,031	19,253	23,729	32,379	33,765	22,615	21,842
	1993				1994					
Shipments (1,000 cwt)	May	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fresh	16,199	18,424	16,281	15,287	19,306	17,281	17,809	24,149	22,043	24,714
Iceberg lettuce	5,231	4,362	4,360	3,767	3,877	3,376	3,407	4,815	3,849	4,119
Tomatoes, all	3,084	2,585	3,179	2,573	2,069	2,568	3,074	3,876	3,114	2,830
Dry-bulb onions	3,341	3,329	3,105	3,131	2,792	2,363	2,282	3,450	3,368	2,864
Other 5/	4,543	8,168	5,637	5,826	10,568	8,974	9,048	12,208	11,712	14,901
Potatoes, all	19,503	11,695	13,111	13,771	13,694	13,141	12,953	20,075	18,218	15,166
Sweet potatoes	255	288	286	566	335	172	211	347	165	163

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Excludes estimates reinstituted in 1992 to preserve series comparability. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 - June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, bell peppers, squash, cantaloupes, honeydews, & watermelons. P = preliminary. — = not available.

Information contacts: Gary Lucier or John Love (202) 219-0117.

Table 22.—Other Commodities

	Annual					1993					1994
	1989	1990	1991	1992	1993	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	
Sugar											
Production 1/	6,841	6,334	7,145	7,492	7,824	2,351	825	735	3,902	2,194	
Deliveries 1/	8,340	8,661	8,693	8,936	9,023	2,067	2,201	2,491	2,264	2,114	
Stocks, ending 1/	2,947	2,729	3,039	3,225	3,486	3,904	2,957	1,599	3,486	3,980	
Coffee											
Composite green price N.Y. (c10/lb.)	95.17	76.93	70.09	55.30	64.31	60.48	55.07	69.47	72.21	76.08	
Imports, green bean equiv. (mil. lbs.) 2/	2,685	2,715	2,553	2,989	2,498	757	596	575	570	561	
	Annual				1993						1994
Tobacco	1991	1992	1993	Feb	Sept	Oct	Nov	Dec.	Jan	Feb	
Avg. price to grower 3/											
Flue-cured (\$/lb.)	172.3	172.6	168.8	—	173.0	175.0	169.5	—	—	—	
Burley (\$/lb.)	178.8	181.5	181.5	177.5	—	—	182.5	181.5	180.5	179.0	
Domestic consumption 4/											
Cigarettes (bil.)	516.3	509.5	462.9	39.3	37.4	32.1	36.5	39.2	34.4	38.0	
Large cigars (mil.)	2,231.9	2,217.1	2,237.8	278.7	192.8	174.4	160.0	210.3	139.3	156.1	

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured. Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: Susan Page-Buxton (202) 219-9650. Coffee, Fred Gray (202) 219-9650. Tobacco, Verner Grise (202) 219-0890.

World Agriculture

Table 23.—World Supply & Utilization of Major Crops, Livestock & Products

	1988/89	1989/90	1990/91	1991/92	1992/93 P	1993/94 F	1994/95 F
	Million units						
Wheat							
Area (hectares)	217.4	225.8	231.5	222.4	223.0	222.7	218.4
Production (metric tons)	495.0	533.2	588.2	542.8	581.4	560.8	548.1
Exports (metric tons) 1/	102.4	102.8	101.4	109.2	111.8	98.0	97.3
Consumption (metric tons) 2/	524.3	532.2	563.5	558.7	544.3	564.7	560.7
Ending stocks (metric tons) 3/	120.5	121.5	148.2	130.1	147.2	143.2	128.6
Coarse grains							
Area (hectares)	323.4	321.1	314.5	318.2	318.9	313.0	313.3
Production (metric tons)	721.0	791.0	821.7	803.1	862.2	790.2	853.3
Exports (metric tons) 1/	95.2	103.9	88.2	93.7	89.0	83.5	83.1
Consumption (metric tons) 2/	765.0	813.8	809.2	808.0	832.3	828.9	847.4
Ending stocks (metric tons) 3/	151.0	128.2	140.7	137.9	167.8	129.2	135.1
Rice, milled							
Area (hectares)	145.5	148.8	146.7	146.1	145.2	143.1	143.9
Production (metric tons)	330.1	343.1	350.7	352.3	352.5	346.5	346.7
Exports (metric tons) 4/	13.9	11.7	12.1	14.1	14.8	15.5	15.0
Consumption (metric tons) 2/	327.7	336.5	345.9	358.0	354.1	355.2	356.8
Ending stocks (metric tons) 3/	47.9	64.5	59.2	55.6	54.0	45.3	35.2
Total grains							
Area (hectares)	686.3	693.5	692.7	686.7	687.1	678.8	675.6
Production (metric tons)	1,548.1	1,667.3	1,760.6	1,698.0	1,778.1	1,697.3	1,748.1
Exports (metric tons) 1/	211.5	218.4	201.7	217.0	215.6	197.0	195.4
Consumption (metric tons) 2/	1,637.0	1,682.5	1,718.8	1,720.7	1,730.7	1,748.8	1,764.9
Ending stocks (metric tons) 3/	319.4	304.2	346.1	323.6	369.0	317.7	298.9
Oilseeds							
Crush (metric tons)	164.5	171.7	178.6	185.2	183.4	185.2	193.0
Production (metric tons)	201.8	212.4	215.7	224.5	228.7	225.0	241.5
Exports (metric tons)	31.5	35.6	33.4	37.6	37.5	36.7	38.1
Ending stocks (metric tons)	22.1	23.7	23.4	21.8	23.2	19.8	24.4
Meals							
Production (metric tons)	111.1	116.8	119.1	125.0	124.4	126.6	131.6
Exports (metric tons)	37.4	39.8	40.7	43.0	42.3	42.4	43.3
Oils							
Production (metric tons)	53.3	57.1	58.1	60.6	61.0	62.3	65.2
Exports (metric tons)	18.1	20.4	20.5	21.1	20.7	21.5	22.0
Cotton							
Area (hectares)	33.8	31.8	33.1	34.8	32.6	30.5	32.0
Production (bales)	84.4	79.7	87.0	96.0	82.7	76.0	83.9
Exports (bales)	33.4	31.3	29.7	28.1	25.4	26.9	28.0
Consumption (bales)	85.3	88.6	85.5	84.5	85.5	84.7	86.3
Ending stocks (bales)	31.4	25.8	28.2	40.2	37.6	29.7	27.3
	1988	1989	1990	1991	1992	1993 P	1994 F
Red meat							
Production (metric tons)	110.5	112.3	113.9	115.5	116.5	117.0	120.2
Consumption (metric tons)	108.3	110.9	111.8	113.5	113.5	114.3	117.5
Exports (metric tons) 1/	8.0	8.2	8.2	8.4	7.9	8.0	8.1
Poultry 5/							
Production (metric tons)	32.0	33.1	35.0	36.9	39.0	40.5	42.1
Consumption (metric tons)	31.4	32.6	34.3	36.2	38.5	39.8	41.3
Exports (metric tons) 1/	1.7	1.7	1.9	2.2	2.3	2.6	3.0
Dairy							
Milk production (metric tons) 6/	—	387.4	395.3	385.3	379.8	379.9	380.9

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1989 data correspond with 1988/89, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. 6/ Data prior to 1989 no longer comparable. P = preliminary. F = forecast. — = not available.

Information contacts: Crops, Carol Whitton (202) 219-0825; red meat & poultry, Linda Bailey (202) 219-0765; dairy, Sara Short (202) 219-0769.

U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1993		1994				
	1991	1992	1993	May	Dec	Jan	Feb	Mar	Apr	May
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.52	4.13	3.83	3.70	4.33	4.22	4.01	3.85	3.83	3.82
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.75	2.66	2.62	2.51	3.10	3.23	3.15	3.05	2.87	2.81
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.69	2.63	2.56	2.42	3.07	3.14	3.07	2.93	2.74	2.77
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.05	6.01	6.53	6.26	7.18	7.30	7.12	7.12	6.88	7.04
Soybean oil, Decatur (cts./lb.)	20.14	19.16	22.83	21.26	28.19	29.89	28.73	28.82	27.95	29.01
Soybean meal, Decatur (\$/ton)	172.90	177.79	199.18	193.74	206.81	198.44	198.37	194.96	189.22	193.07
Cotton, 7-market avg. spot (cts./lb.)	69.69	53.90	55.36	56.36	60.29	66.53	72.69	72.74	76.12	79.34
Tobacco, avg. price at auction (cts./lb.)	179.23	172.58	171.20	157.44	181.47	181.01	188.03	158.01	169.97	169.97
Rice, f.o.b. mill, Houston (\$/cwt)	16.46	16.80	16.12	14.18	25.50	25.50	25.50	24.88	23.25	21.40
Inedible tallow, Chicago (cts./lb.)	13.28	14.37	14.89	15.00	14.74	15.33	15.14	15.44	14.94	15.56
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.71	0.50	0.59	0.53	0.63	0.64	0.68	0.74	0.79	1.10
Rubber, N.Y. spot (cts./lb.)	45.73	46.25	45.00	43.78	44.75	44.91	46.12	49.82	50.83	51.42
Cocoa beans, N.Y. (\$/lb.)	0.52	0.47	0.47	0.42	0.57	0.53	0.51	0.55	0.52	0.58

Information contact: Mary Teymourian (202) 501-8516.

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates ^{1/}

	1993						1994					
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May P	Jun P
	1985 = 100											
Total U.S. trade ^{2/}	68.8	68.8	67.1	68.2	69.7	69.9	70.6	70.1	69.2	69.0	68.0	67.7
Agricultural trade												
U.S. markets	77.1	76.8	76.0	76.6	77.5	77.7	78.1	77.2	76.9	76.9	76.0	76.2
U.S. competitors	78.5	78.8	78.0	78.5	78.9	78.4	78.4	78.6	78.1	79.3	73.7	77.6
Wheat												
U.S. markets	94.1	93.3	92.5	93.0	93.2	93.1	92.9	91.8	90.9	91.9	89.7	89.4
U.S. competitors	75.7	76.8	76.8	77.1	77.1	77.2	76.8	77.2	77.6	78.0	77.5	84.2
Soybeans												
U.S. markets	85.7	85.4	84.1	84.9	86.2	86.5	87.2	86.2	85.6	85.3	84.7	84.5
U.S. competitors	50.1	49.6	49.3	49.3	49.0	48.6	48.7	48.6	48.2	48.9	49.3	49.3
Corn												
U.S. markets	67.2	66.6	66.3	67.0	67.7	68.0	68.4	67.0	66.8	66.5	66.6	66.4
U.S. competitors	59.2	59.7	58.2	58.7	59.6	59.3	59.8	59.8	59.2	59.3	58.7	58.6
Cotton												
U.S. markets	71.9	71.6	71.2	71.9	72.5	72.7	73.1	71.7	71.4	71.0	70.7	70.8
U.S. competitors	105.8	106.0	105.4	106.5	109.6	109.0	109.7	110.2	111.0	113.3	95.6	98.0

^{1/} Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. ^{2/} Federal Reserve Board Index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Douglas Rhoades or Tim Baxter (202) 501-8317.

Table 26.—Trade Balance

	Fiscal year ^{1/}								Apr
	1987	1988	1989	1990	1991	1992	1993	1994 F	1994
	\$ million								
Exports									
Agricultural	27,876	35,316	39,590	40,220	37,809	42,430	42,590	42,500	3,449
Nonagricultural	202,911	258,656	301,269	328,059	356,682	383,517	390,783	—	35,763
Total ^{2/}	230,787	293,972	340,859	368,279	394,291	425,947	433,373	—	39,212
Imports									
Agricultural	20,650	21,014	21,476	22,560	22,588	24,323	24,454	25,000	2,216
Nonagricultural	367,374	409,138	441,075	458,101	463,720	488,558	537,584	—	48,574
Total ^{3/}	388,024	430,152	462,551	480,661	486,308	512,879	562,038	—	50,790
Trade balance									
Agricultural	7,226	14,302	18,114	17,660	15,021	18,107	18,136	17,500	1,233
Nonagricultural	-164,463	-150,482	-139,806	-132,042	-107,038	-105,039	-146,801	—	-12,811
Total	-157,237	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	—	-11,578

^{1/} Fiscal years begin October 1 & end September 30. Fiscal year 1993 began Oct. 1, 1992 & ended Sept. 30, 1993. ^{2/} Domestic exports including Department of Defense shipments (F.A.S. value). ^{3/} Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Joel Greene (202) 219-0816.

Table 27.—U.S. Agricultural Exports & Imports

	Fiscal year*			Apr	Fiscal year*			Apr
	1992	1993	1994 F	1994	1992	1993	1994 F	1994
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,476	1,107	—	83	567	358	—	19
Meats & preps., excl. poultry (mt)	1,107	1,160	2/ 1,000	109	3,236	3,349	—	311
Dairy products (mt) 1/	174	211	—	10	641	762	900	46
Poultry meats (mt)	794	986	1,200	125	915	1,031	—	121
Fats, oils, & greases (mt)	1,392	1,362	1,200	112	498	519	—	43
Hides & skins incl. furskins	—	—	—	—	1,336	1,288	—	120
Cattle hides, whole (no.) 1/	20,803	19,784	—	1,641	1,106	1,062	—	90
Mink pelts (no.) 1/	3,160	3,119	—	423	52	56	—	7
Grains & feeds (mt)	100,881	103,743	—	8,318	13,873	14,104	3/ 13,100	1,010
Wheat (mt)	34,322	36,078	31,000	1,944	4,323	4,737	4/ 4,200	272
Wheat flour (mt)	813	1,075	1,000	83	185	217	—	17
Rice (mt)	2,279	2,710	2,600	210	757	766	1,000	83
Feed grains, incl. products (mt)	50,752	50,705	37,100	2,989	5,801	5,281	4,300	372
Feeds & fodders (mt)	11,287	11,500	5/ 11,900	942	2,019	2,147	—	182
Other grain products (mt)	1,448	1,678	—	148	807	978	—	84
Fruits, nuts, & preps. (mt)	3,505	3,398	—	295	3,514	3,409	4,100	278
Fruit juices incl.	—	—	—	—	—	—	—	—
froz. (1,000 hectoliters) 1/	7,767	7,845	—	567	427	423	—	42
Vegetables & preps. (mt)	2,703	2,790	—	252	2,790	3,220	—	285
Tobacco, unmanufactured (mt)	246	231	—	22	1,568	1,443	1,200	170
Cotton, excl. linters (mt)	1,494	1,125	1,800	166	2,183	1,528	2,500	248
Seeds (mt)	612	533	—	41	650	648	600	39
Sugar, cane or beet (mt) 1/	492	337	—	37	154	106	—	13
Oilseeds & products (mt)	28,871	29,190	—	1,420	7,182	7,211	8,800	418
Oilseeds (mt)	19,939	21,049	—	978	4,735	4,982	—	276
Soybeans (mt)	19,277	20,400	16,100	948	4,318	4,608	4,100	249
Protein meal (mt)	7,082	6,539	—	381	1,445	1,281	—	70
Vegetable oils (mt)	1,651	1,601	—	81	982	968	—	71
Essential oils (mt)	13	13	—	1	184	185	—	16
Other	91	92	—	13	2,733	3,011	—	282
Total	142,175	145,171	123,900	8,919	42,430	42,590	42,500	3,449
IMPORTS								
Animals, live (no.) 1/	2,630	3,461	—	307	1,275	1,569	1,400	135
Meats & preps., excl. poultry (mt)	1,134	1,128	—	93	2,684	2,726	—	223
Beef & veal (mt)	813	793	780	58	1,933	1,919	1,900	144
Pork (mt)	263	278	315	29	825	663	800	87
Dairy products (mt) 1/	232	231	—	21	816	860	900	79
Poultry & products 1/	—	—	—	—	132	137	—	10
Fats, oils, & greases (mt)	46	44	—	4	26	30	—	3
Hides & skins, incl. furskins 1/	—	—	—	—	185	181	—	17
Wool, unmanufactured (mt)	54	60	—	8	167	173	—	21
Grains & feeds (mt)	5,448	4,942	8,000	955	1,548	1,639	2,200	202
Fruits, nuts, & preps., excl. juices (mt)	5,883	6,089	5,980	637	2,919	2,988	—	314
Bananas & plantains (mt)	3,626	3,737	3,700	292	1,063	1,083	1,000	89
Fruit juices (1,000 hectoliters) 1/	28,049	27,053	22,000	2,760	871	640	—	64
Vegetables & preps. (mt)	2,171	2,733	—	281	2,125	2,440	2,600	229
Tobacco, unmanufactured (mt)	364	386	275	9	1,299	1,101	800	27
Cotton, unmanufactured (mt)	11	12	—	1	10	11	—	1
Seeds (mt)	174	189	275	62	214	214	200	33
Nursery stock & cut flowers 1/	—	—	—	—	578	629	—	62
Sugar, cane or beet (mt)	1,623	1,589	—	128	633	591	—	45
Oilseeds & products (mt)	2,330	2,484	—	287	1,124	1,204	1,400	131
Oilseeds (mt)	429	373	—	84	135	130	—	28
Protein meal (mt)	629	618	—	63	84	89	—	9
Vegetable oils (mt)	1,273	1,492	—	120	904	985	—	94
Beverages excl. fruit	—	—	—	—	—	—	—	—
juices (1,000 hectoliters) 1/	13,739	14,014	—	1,352	2,044	1,975	—	171
Coffee, tea, cocoa, spices (mt)	2,391	2,244	2,150	151	3,415	3,018	—	250
Coffee, incl. products (mt)	1,330	1,185	1,050	87	1,798	1,502	2,000	119
Cocoa beans & products (mt)	773	770	800	61	1,122	1,028	1,100	85
Rubber & allied gums (mt)	920	981	1,200	80	756	839	900	68
Other	—	—	—	—	1,503	1,488	—	132
Total	—	—	—	—	24,323	24,454	25,000	2,216

*Fiscal years begin Oct. 1 and end Sept. 30. Fiscal year 1993 began Oct. 1, 1992 & ended Sept. 30, 1993. 1/ Not included in total volume.

2/ Forecasts for footnoted items 2/–5/ are based on slightly different groups of commodities. Totals for fiscal 1993 forecast commodities were 2/ 903,000 tons. 3/ \$14,332 million. 4/ \$4,954 million, includes flour. 5/ 11.885 million tons. F = forecast. — = not available.

Information contact: Joel Greene (202) 219–0818.

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Apr	Change from year* earlier			Apr
	1992	1993	1994 F	1994	1992	1993	1994 F	1994
	\$ million				Percent			
WESTERN EUROPE	7,740	7,499	7,200	496	6	-3	-4	4
European Union	7,193	7,022	6,500	453	6	-2	-7	4
Belgium-Luxembourg	491	482	—	39	-1	5	—	75
France	618	613	—	37	8	-1	—	-22
Germany	1,091	1,148	—	79	-4	5	—	16
Italy	684	568	—	26	1	-17	—	-21
Netherlands	1,812	1,801	—	99	18	-1	—	-2
United Kingdom	882	918	—	70	0	4	—	1
Portugal	240	223	—	24	-4	-7	—	41
Spain, incl. Canary Islands	951	829	—	48	11	-13	—	-2
Other Western Europe	548	477	500	44	2	-13	5	4
Switzerland	187	152	—	20	-4	-19	—	15
EASTERN EUROPE	222	468	400	29	-27	111	15	-41
Poland	49	230	—	11	7	368	—	-60
Former Yugoslavia	50	47	—	9	-32	-6	—	119
Romania	76	107	—	3	-7	42	—	-28
Former Soviet Union	2,704	1,561	1,500	83	54	-42	-4	-62
ASIA	17,782	17,832	16,500	1,656	10	0	-7	9
West Asia (Mideast)	1,770	1,922	1,900	114	24	9	-1	-40
Turkey	344	369	—	9	54	7	—	-81
Iraq	0	1	0	0	0	150	0	0
Israel, incl. Gaza & W. Bank	346	382	400	28	21	10	5	-42
Saudi Arabia	549	463	500	46	2	-18	8	11
South Asia	536	641	—	35	43	20	—	34
Bangladesh	123	52	—	11	84	-58	—	553
India	117	226	—	9	24	93	—	-44
Pakistan	226	236	300	16	57	4	27	1,146
China	890	322	500	73	3	-53	56	58
Japan	8,383	8,461	9,200	861	8	1	9	12
Southeast Asia	1,470	1,551	—	165	19	6	—	49
Indonesia	353	327	—	48	27	-7	—	52
Philippines	443	512	500	54	19	16	-2	60
Other East Asia	4,934	4,935	5,000	408	6	0	1	6
Taiwan	1,916	1,999	2,200	137	10	4	10	-22
Korea, Rep.	2,200	2,041	1,900	174	2	-7	-7	22
Hong Kong	817	880	900	96	10	8	2	43
AFRICA	2,304	2,671	2,300	152	22	18	-14	-43
North Africa	1,411	1,659	1,600	78	2	18	-4	-59
Morocco	156	310	—	3	21	98	—	-94
Algeria	478	458	700	24	0	-4	53	-49
Egypt	709	756	600	46	2	7	-21	-44
Sub-Saharan	893	1,012	800	74	80	13	-21	-4
Nigeria	31	158	—	15	-30	413	—	77
Rep. S. Africa	328	383	—	3	343	17	—	-92
LATIN AMERICA & CARIBBEAN	6,438	6,883	7,000	576	17	7	2	-5
Brazil	143	231	200	14	-47	61	-13	29
Caribbean Islands	970	1,015	—	88	-4	5	—	-7
Central America	587	675	—	49	16	15	—	-6
Colombia	142	234	—	17	15	65	—	-36
Mexico	3,676	3,660	3,900	337	27	0	7	-2
Peru	179	172	—	14	19	-4	—	106
Venezuela	394	502	400	35	28	27	-20	-21
CANADA	4,812	5,220	5,300	419	9	8	2	-8
OCEANIA	428	456	500	37	23	6	10	19
TOTAL	42,430	42,590	42,500	3,449	13	0	0	-5
Developed countries	21,968	22,337	22,500	1,838	9	2	1	2
Developing countries	19,771	19,918	—	1,451	17	1	—	-7
Other countries	691	335	—	159	3	-51	—	-40

*Fiscal years begin Oct. 1 and end Sept. 30. Fiscal year 1993 began Oct. 1, 1992 & ended Sept. 30, 1993. F = forecast. — = not available.
 Note: Adjusted for transshipments through Canada.

Information contact: Joel Greene (202) 219-0816.

Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1984	1985	1986	1987	1988	1989	1990	1991	1992 P	1993 F	1994 F
	\$ billion										
1. Farm receipts	147.7	150.1	140.0	148.5	158.4	168.9	177.5	176.5	178.8	181.8	182 to 191
Crops (incl. net CCC loans)	89.9	74.3	63.7	65.9	71.7	77.0	80.1	81.9	84.8	84.1	85 to 89
Livestock	72.9	69.8	71.6	76.0	79.4	84.1	89.8	86.8	86.4	90.3	90 to 93
Farm related 1/	4.9	6.0	5.7	6.6	7.3	7.8	7.6	7.8	7.8	7.4	7 to 9
2. Direct Government payments	8.4	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9.2	12.7	6 to 10
Cash payments	4.0	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9.2	12.7	10 to 11
Value of PIK commodities	4.5	0.1	3.7	10.1	7.4	1.7	0.9	0.0	0.0	0	0 to 1
3. Gross cash income (1+2) 2/	156.1	157.9	152.8	165.1	172.9	179.8	186.8	184.7	187.9	194.5	190 to 198
4. Nonmoney income 3/	5.9	5.6	5.5	5.6	6.3	6.3	6.2	5.8	6.1	6.4	6 to 7
5. Value of inventory change	6.0	-2.3	-2.2	-2.3	-3.4	4.8	3.4	-0.3	3.8	-4.1	3 to 8
6. Total gross farm income (3+4+5)	168.0	161.2	156.1	168.5	175.8	190.9	196.4	190.3	197.7	196.9	202 to 210
7. Cash expenses 4/	118.7	110.7	105.0	109.4	118.4	125.1	130.9	131.4	130.2	132.0	131 to 139
8. Total expenses	141.9	132.4	125.1	128.8	137.0	144.0	149.9	150.3	149.1	151.4	151 to 160
9. Net cash income (3-7)	37.4	47.1	47.8	55.8	54.5	54.7	55.9	53.3	57.7	62.5	53 to 63
10. Net farm income (6-8)	26.1	28.8	31.0	39.7	38.8	46.9	46.5	40.0	48.6	45.5	45 to 55
Deflated (1987\$)	28.7	30.5	32.0	39.7	37.3	43.3	41.1	34.0	40.2	38.7	37 to 43

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. P = preliminary. F = forecast.
 Note: 1988-92 accounts (primarily expenses) have been revised to reflect improved methods for estimating farm income. Call contact for information.

Information contact: Robert McElroy (202) 219-0802.

Table 30.—Average Income to Farm Operator Households

	Calendar year					
	1989	1990	1991	1992 P	1993 F	1994 F
	\$ per operator household					
Farm income to household 1/	5,796	5,742	5,809	4,882	5,700	4,600 to 6,100
Self-employment farm income	4,723	4,973	4,458	2,874	—	—
Other farm income to household	1,073	768	1,351	2,008	—	—
Plus: Total off-farm income	26,223	33,285	31,638	35,731	35,000	35,500 to 37,500
Income from wages, salaries, and non-farm businesses	19,467	24,778	23,551	27,022	—	—
Income from interest, dividends, transfer payments, etc.	6,756	8,487	8,087	8,709	—	—
Equals: Farm operator household income	32,019	38,007	37,447	40,613	40,700	40,000 to 43,500

1/ Farm income to the household equals self-employment income plus amounts that operators pay themselves & family members to work on the farm, income from renting out acreage, & net income from a farm business other than the one being surveyed. Data for 1989-90 are based on surveys that did not fully account for small farms. Data for 1991 include an additional 350,000 farms, many with gross sales under \$10,000 & negative net farm incomes. P = preliminary. F = forecasts. — = not available at this time.

Information contact: Janet Perry (202) 219-0803.

Table 31.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1984	1985	1986	1987	1988	1989	1990	1991	1992 P	1993 F	1994 F
	\$ billion										
Assets											
Real estate	661.8	586.2	542.3	578.9	595.5	515.7	528.2	523.2	533.1	657	675 to 685
Non-real estate	195.2	186.5	182.1	193.7	205.6	214.1	220.2	219.1	228.4	232	230 to 240
Livestock & poultry	49.5	46.3	47.8	58.0	62.2	66.2	70.9	68.1	71.3	72	72 to 76
Machinery & motor vehicles	85.0	82.9	81.5	80.0	81.2	85.1	85.4	85.8	85.6	87	86 to 90
Crops stored 2/	26.1	22.9	16.3	17.5	23.3	23.4	22.8	22.0	24.1	25	24 to 28
Purchased inputs	2.0	1.2	2.1	3.2	3.5	2.6	2.8	2.6	3.9	3	2 to 4
Financial assets	32.6	33.3	34.5	35.1	35.4	36.8	38.3	40.6	43.4	45	45 to 49
Total farm assets	857.0	772.7	724.4	772.6	801.1	829.7	848.4	842.2	861.5	888	915 to 925
Liabilities											
Real estate debt 3/	106.7	100.1	90.4	82.4	77.6	75.4	74.1	74.6	75.6	76	75 to 79
Non-real estate debt 4/	87.1	77.5	66.6	62.0	61.7	61.9	63.2	64.3	63.6	66	64 to 68
Total farm debt	193.8	177.6	157.0	144.4	139.4	137.2	137.4	138.9	139.3	142	140 to 146
Total farm equity	663.3	595.1	567.5	628.2	661.7	692.4	710.9	703.3	722.2	746	770 to 780
	Percent										
Selected ratios											
Debt-to-assets	22.8	23.0	21.7	18.7	17.4	16.5	16.2	16.5	16.2	16	15 to 17
Debt-to-equity	29.2	29.8	27.7	23.0	21.1	19.8	19.3	19.7	19.3	19	18 to 20
Debt-to-net cash income	518	377	328	259	256	251	246	260	245	224	225 to 235

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson, (202) 219-0799, Jim Ryan (202) 219-0796.

Table 32.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1992	1993	Mar 1994	Apr 1994	1992	1993	Mar 1994	Apr 1994	1992	1993	Mar 1994	Apr 1994
	\$ million 2/											
NORTH ATLANTIC												
Maine	301	316	25	22	213	202	22	25	513	517	47	47
New Hampshire	85	85	6	6	79	79	7	8	144	144	13	13
Vermont	389	378	38	35	63	61	6	9	452	439	42	44
Massachusetts	135	135	11	10	356	360	17	22	491	495	28	32
Rhode Island	13	13	1	1	60	59	5	7	72	72	6	8
Connecticut	240	274	22	19	249	242	21	27	489	517	43	46
New York	1,914	1,886	168	162	1,032	1,032	65	71	2,946	2,918	234	234
New Jersey	192	192	17	18	465	465	27	37	657	657	44	54
Pennsylvania	2,554	2,576	224	223	1,064	1,079	103	95	3,618	3,655	327	317
NORTH CENTRAL												
Ohio	1,580	1,632	141	140	2,587	2,548	170	195	4,167	4,180	311	335
Indiana	1,821	1,918	160	159	2,684	3,185	220	179	4,505	5,103	380	338
Illinois	2,202	2,259	169	187	5,431	6,814	551	388	7,634	8,073	720	575
Michigan	1,325	1,353	117	107	1,962	2,396	126	130	3,286	3,749	243	237
Wisconsin	4,313	4,300	357	380	1,186	1,113	80	65	5,499	5,414	437	425
Minnesota	3,622	3,721	322	299	3,460	2,816	182	126	7,082	6,537	504	425
Iowa	5,614	5,898	436	475	4,716	4,213	302	241	10,330	10,111	738	716
Missouri	2,168	2,303	195	182	1,935	1,797	105	74	4,123	4,100	301	256
North Dakota	755	771	69	49	2,339	2,284	195	129	3,094	3,035	264	178
South Dakota	1,966	2,057	206	165	1,263	1,181	79	54	3,229	3,238	285	220
Nebraska	5,674	5,852	414	418	3,109	3,096	238	171	8,783	8,949	652	588
Kansas	4,558	4,675	384	325	2,442	2,621	148	101	7,000	7,295	532	426
SOUTHERN												
Delaware	451	501	41	50	184	170	6	9	636	671	48	59
Maryland	804	855	73	75	587	548	52	45	1,391	1,402	126	121
Virginia	1,353	1,417	121	119	781	687	27	26	2,134	2,105	148	145
West Virginia	267	258	27	28	75	75	4	3	343	334	31	31
North Carolina	2,795	3,132	261	269	2,386	2,225	68	82	5,181	5,357	328	351
South Carolina	545	550	47	50	632	594	26	28	1,177	1,144	73	78
Georgia	2,309	2,495	229	222	1,764	1,603	84	74	4,073	4,098	294	296
Florida	1,160	1,171	125	89	4,985	4,748	548	529	6,145	5,919	673	619
Kentucky	1,841	1,686	123	112	1,580	1,675	69	47	3,221	3,381	192	159
Tennessee	1,061	1,076	97	90	1,042	1,002	53	40	2,103	2,078	150	130
Alabama	2,063	2,152	212	191	768	738	37	45	2,830	2,890	250	236
Mississippi	1,355	1,507	150	143	1,247	1,041	49	40	2,602	2,548	199	182
Arkansas	2,702	2,855	257	268	1,901	1,516	70	47	4,602	4,370	327	315
Louisiana	587	614	66	58	1,259	1,095	30	30	1,846	1,709	96	88
Oklahoma	2,498	2,683	283	229	1,137	1,096	50	54	3,635	3,780	334	284
Texas	7,523	8,221	804	588	4,097	4,202	249	217	11,620	12,423	1,052	806
WESTERN												
Montana	921	986	93	89	821	818	99	69	1,742	1,804	193	138
Idaho	1,173	1,231	97	83	1,643	1,714	91	107	2,816	2,945	188	189
Wyoming	608	634	43	52	167	158	6	4	773	792	49	55
Colorado	2,955	3,051	234	193	1,083	1,184	76	77	4,038	4,235	310	270
New Mexico	1,040	1,104	102	86	490	466	23	31	1,530	1,590	125	117
Arizona	892	1,003	78	65	943	1,072	117	38	1,835	2,074	195	103
Utah	556	555	51	50	182	188	16	23	738	743	66	73
Nevada	202	202	17	16	71	94	14	14	273	295	30	30
Washington	1,532	1,520	144	135	2,922	2,899	190	176	4,454	4,419	334	311
Oregon	795	801	56	61	1,695	1,718	84	94	2,490	2,516	140	155
California	5,055	5,355	471	395	13,179	12,755	785	936	18,234	18,110	1,256	1,331
Alaska	6	6	0	0	20	20	2	1	25	25	2	2
Hawaii	88	89	7	7	476	405	34	32	564	494	41	39
UNITED STATES	86,358	90,283	7,790	7,155	84,810	83,150	5,608	5,070	171,168	173,433	13,399	12,225

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0808. To receive current monthly cash receipts via postal mail or e-mail contact Bob Dubman at (202) 219-0809 or BDUBMAN@ERS.BITNET.

Table 33.—Cash Receipts From Farming

	Annual						1993		1994			
	1988	1989	1990	1991	1992	1993	Apr	Dec	Jan	Feb	Mar	Apr
	\$ million											
Farm marketings & CCC loans*	151,154	151,183	169,973	169,721	171,158	173,433	12,818	16,681	15,826	12,380	13,399	12,225
Livestock & products	79,434	84,122	89,843	86,780	86,358	90,283	7,639	7,232	7,783	7,308	7,790	7,155
Meat animals	48,492	48,857	51,911	51,089	48,427	51,353	4,364	3,708	4,462	4,291	4,360	3,755
Dairy products	17,841	19,398	20,149	18,037	19,848	19,819	1,734	1,934	1,718	1,594	1,759	1,739
Poultry & eggs	12,858	15,372	15,243	15,122	15,441	16,661	1,361	1,408	1,377	1,247	1,480	1,485
Other	2,433	2,495	2,540	2,531	2,642	2,650	180	183	208	176	191	175
Crops	71,720	77,040	80,130	81,942	84,810	83,150	5,177	9,450	8,062	5,072	5,808	5,070
Food grains	7,489	8,247	7,517	7,410	8,890	7,985	310	732	881	530	529	360
Feed crops	14,283	17,054	18,671	19,491	20,073	19,526	1,120	2,495	2,327	1,388	1,537	1,074
Cotton (lint & seed)	4,540	5,033	5,489	5,238	5,207	5,181	54	1,552	888	284	177	73
Tobacco	2,083	2,415	2,741	2,886	2,961	2,956	5	571	335	79	32	0
Oil-bearing crops	13,500	11,866	12,258	12,700	12,998	13,055	809	1,028	1,419	718	735	617
Vegetables & melons	9,818	11,596	11,449	11,552	11,436	11,631	1,196	574	826	720	949	1,000
Fruits & tree nuts	9,027	9,173	9,440	9,888	10,183	9,917	453	1,099	537	516	470	441
Other	10,993	11,657	12,566	12,778	13,065	12,899	1,430	1,430	850	838	1,180	1,505
Government payments	14,480	10,887	9,298	8,214	9,189	13,174	2,034	1,785	622	1,186	1,320	1,336
Total	165,582	171,914	179,218	175,506	179,338	186,607	14,850	18,412	15,539	13,566	14,719	13,561

* Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. — = not available.

Information contact: Roger Strickland (202) 219-0806. To receive current monthly cash receipts via mail contact Bob Dubman at (202) 219-0809 or BDUBMAN@ERS.BITNET.

Table 34.—Farm Production Expenses

	Calendar year									
	1985	1986	1987	1988	1989	1990	1991	1992 P	1993 F	1994 F
	\$ million									
Feed purchased	16,949	17,472	17,463	20,246	20,744	20,387	19,330	19,832	20,700	19,000 to 23,000
Livestock & poultry purchased	9,184	9,758	11,842	12,764	13,138	14,833	14,272	13,780	14,500	12,000 to 18,000
Seed purchased	3,128	3,188	3,259	4,082	4,400	4,521	5,119	4,918	5,000	4,000 to 6,000
Farm-origin inputs	29,261	30,418	32,564	37,071	38,281	39,742	38,722	38,531	40,200	39,000 to 43,000
Fertilizer & lime	7,512	6,820	6,453	7,681	8,177	8,210	8,671	8,340	8,300	7,000 to 13,000
Fuels & oils	6,436	5,310	4,957	4,800	4,772	5,790	5,599	5,311	5,400	4,000 to 7,000
Electricity	1,878	1,795	2,156	2,360	2,648	2,607	2,634	2,611	2,600	2,000 to 4,000
Pesticides	4,334	4,324	4,512	4,146	5,013	5,364	6,324	6,475	6,800	6,000 to 8,000
Manufactured inputs	20,199	18,249	18,078	18,987	20,610	21,971	23,229	22,736	23,200	22,000 to 28,000
Short-term interest	8,735	7,367	6,767	6,874	6,660	6,528	6,124	5,793	5,400	4,000 to 7,000
Real estate interest 1/	9,878	9,131	8,205	7,581	7,190	6,740	5,963	5,592	5,400	5,000 to 7,000
Total interest charges	18,613	16,498	14,972	14,255	13,850	13,268	12,088	11,385	10,700	10,000 to 14,000
Repair & maintenance 1/	6,370	6,426	6,759	7,717	8,407	8,553	8,630	8,489	8,900	8,000 to 12,000
Contract & hired labor	10,008	9,484	9,975	10,954	11,928	13,950	13,926	14,080	14,800	13,000 to 19,000
Machine hire & custom work	2,354	2,099	2,105	2,510	2,937	2,959	3,085	3,317	3,400	3,000 to 5,000
Marketing, storage, & transportation	4,127	3,852	4,078	3,516	4,206	4,211	4,719	4,542	3,900	3,000 to 5,000
Misc. operating expenses 1/ 2/	10,010	9,759	11,171	12,001	12,003	12,727	13,539	12,844	13,200	11,000 to 15,000
Other operating expenses	32,868	31,420	34,088	38,697	39,481	42,400	43,899	43,232	44,000	43,000 to 50,000
Capital consumption 1/	19,299	17,788	17,001	17,378	17,863	17,662	17,645	17,769	17,900	16,000 to 20,000
Taxes 1/	4,542	4,612	4,853	4,955	5,214	5,690	5,613	5,838	6,100	5,000 to 7,000
Net rent to nonoperator landlords	7,690	8,099	7,124	7,684	8,731	9,164	9,112	9,603	9,300	8,000 to 10,000
Other overhead expenses	31,631	28,499	29,069	30,016	31,807	32,517	32,370	33,210	33,300	32,000 to 35,000
Total production expenses	132,433	125,084	128,772	137,026	144,029	149,897	150,307	149,094	151,000	155,000 to 185,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases, dairy assessments & feeding fees paid by nonoperators. Totals may not add because of rounding. P = preliminary. F = forecast.

Information contacts: Chris McGath (202) 219-0808, Robert McElroy (202) 219-0802.

Table 35.—CCC Net Outlays by Commodity & Function

COMMODITY/PROGRAM	Fiscal year									
	1986	1987	1988	1989	1990	1991	1992	1993	1994 E	1995 E
	\$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	10,524	12,346	8,227	2,883	2,435	2,387	2,105	5,143	635	1,678
Grain sorghum	1,185	1,203	784	467	349	243	190	410	133	179
Barley	471	394	57	45	-94	71	174	186	237	149
Oats	26	17	-2	1	-5	12	32	16	6	20
Corn & oat products	5	7	7	8	8	9	9	10	8	0
Total feed grains	12,211	13,967	9,053	3,384	2,693	2,722	2,510	5,765	1,019	2,026
Wheat	3,440	2,836	678	53	796	2,805	1,719	2,185	1,972	2,015
Rice	947	906	128	631	667	667	715	887	758	1,031
Upland cotton	2,142	1,786	1,686	1,461	-79	382	1,443	2,239	1,496	384
Tobacco	253	-346	-453	-367	-307	-143	29	235	641	71
Dairy	2,337	1,166	1,295	679	505	839	232	253	237	227
Soybeans	1,597	-476	-1,676	-66	6	40	-28	109	-162	-38
Peanuts	32	8	7	13	1	48	41	-13	38	66
Sugar	214	-65	-246	-25	15	-20	-19	-35	-25	-32
Honey	89	73	100	42	47	19	17	22	10	4
Wool	123	152	1/ 5	93	104	172	191	179	210	114
Operating expense 3/	457	535	614	620	618	625	6	6	7	7
Interest expenditure	1,411	1,219	425	98	632	745	532	129	57	27
Export programs 4/	102	276	200	-102	-34	733	1,459	2,193	1,804	1,397
1989/95 Disaster/Tree/ livestock assistance	0	0	0	3,919	2/ 161	121	1,054	944	3,047	1,080
Other	486	371	1,665	110	647	155	-162	949	685	1,387
Total	25,641	22,408	12,461	10,523	6,471	10,110	9,738	16,047	11,792	9,786
FUNCTION										
Price-support loans (net)	13,628	12,199	4,579	-926	-399	418	584	2,065	621	321
Direct payments 5/										
Deficiency	6,166	4,833	3,971	5,798	4,178	6,224	5,491	6,607	4,360	5,047
Diversion	64	382	8	-1	0	0	0	0	0	0
Dairy termination	489	587	260	168	189	96	2	0	0	0
Loan Deficiency	27	60	0	42	3	21	214	387	483	76
Other	0	0	0	0	0	0	140	149	137	75
Disaster	0	0	0	4	0	0	0	0	0	0
Total direct payments	6,746	5,862	4,245	6,011	4,370	6,341	5,847	9,143	4,980	5,198
1988-95 crop disaster	0	0	0	3,386	2/ 5	6	960	872	2,946	1,000
Emergency livestock/tree/ forage assistance	0	0	31	533	156	115	94	72	102	80
Purchases (net)	1,670	-479	-1,131	116	-48	646	321	525	508	249
Producer storage payments	485	832	658	174	185	1	14	9	13	13
Processing, storage, & transportation	1,013	1,659	1,113	659	278	240	185	136	94	110
Operating expense 3/	457	535	614	620	618	625	6	6	7	7
Interest expenditure	1,411	1,219	425	98	632	745	532	129	57	27
Export programs 4/	102	276	200	-102	-34	733	1,459	2,193	1,804	1,397
Other	329	305	1,727	-46	708	240	-264	897	660	1,384
Total	25,641	22,408	12,461	10,523	6,471	10,110	9,738	16,047	11,792	9,786

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates in FY 90 & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager, Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 the Export Guarantee Program - Credit Reform, Export Enhancement Program, Dairy Export Incentive Program, and Technical Assistance to Emerging Democracies. 5/ Includes cash payments only. Excludes generic certificates in FY 86-94. E = Estimated in the FY 1995 Mid-Session Review Budget which was released July 14, 1994 based on June, 1994 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazdalski (202) 720-5148.

Food Expenditures

Table 36.—Food Expenditures

	Annual			1994			1994 year-to-date		
	1991	1992	1993	Apr	May	June P	Apr	May	June P
\$ billion									
Sales 1/									
Off-premise use 2/	317.2	318.4	328.0	27.4	28.3	28.5	106.8	135.2	163.6
Meals & snacks 3/	229.7	237.5	250.5	21.8	22.5	22.4	81.4	103.9	126.3
1993 \$ billion									
Sales 1/									
Off-premise use 2/	328.3	325.5	328.0	26.8	27.7	27.8	104.2	131.9	159.7
Meals & snacks 3/	238.3	341.7	250.5	21.5	22.2	22.1	80.4	102.6	124.7
Percent change from year earlier (\$ bil.)									
Sales 1/									
Off-premise use 2/	4.3	0.4	3.0	1.9	1.5	3.9	3.2	2.8	3.0
Meals & snacks 3/	3.1	3.4	5.5	6.4	4.7	5.6	5.4	5.3	5.3
Percent change from year earlier (1993 \$ bil.)									
Sales 1/									
Off-premise use 2/	1.4	-0.9	0.8	-0.7	-0.6	1.0	0.1	0.0	0.2
Meals & snacks 3/	-0.3	1.4	3.6	4.5	2.9	3.8	3.5	3.4	3.5

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food, excluding alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr. Econ. Rpt. No. 575, Aug 1987.

Information contact: Alden Manchester (202) 219-0756

Transportation

Table 37.—Rail Rates; Grain & Fruit-Vegetable Shipments

	Annual			1993		1994				
	1991	1992	1993	May	Dec	Jan	Feb	Mar	Apr	May
Rail freight rate index 1/										
(Dec. 1984=100)										
All products	109.3	109.9	110.9	110.7	111.3	111.8	111.5	112.0	111.9 P	111.9 P
Farm products	111.4	111.1	113.7	113.3	114.5	114.9	114.5	114.8	114.3 P	114.3 P
Grain	111.2	111.4	114.7	114.2	115.7	118.1	115.8	115.7	115.1 P	115.1 P
Food products	108.1	108.7	108.9	108.8	109.6	110.2	110.2	110.8	110.7 P	110.7 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	26.6	27.4	27.4	24.9	26.2 P	26.0 P	25.1 P	25.1 P	23.7 P	22.2 P
Barge shipments (mil. ton) 3/	3.3	3.4	2.4	3.7	2.9	1.5	1.7	2.4	3.0	2.8
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	1.5	1.6	1.4	2.0	1.2	1.2	1.1	1.4	1.4	1.9
Rail (mil. cwt)	2.1	2.6	2.2	3.0	2.8	2.4	2.0	2.5	1.8	2.5
Truck (mil. cwt)	41.9	44.0	44.8	51.9	42.7	42.0	37.8	46.0	54.2	51.9
Cost of operating trucks										
hauling produce 4/										
Fleet operation (cts./mile)	126.5	124.1	127.2	127.3	127.4	127.0	128.3	128.1	128.2	127.8

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways. U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1994. P = preliminary. — = not available.

Information contact: T. Q. Hutchinson (202) 219-0353

Indicators of Farm Productivity

Table 38.—Indexes of Farm Production, Input Use & Productivity ^{1/}

	1983	1984	1985	1986	1987	1988	1989	1990	1991 ^{1/}	1992 ^{2/}
1982=100										
Farm output	84	101	105	102	104	97	108	112	112	—
All livestock products	102	100	103	103	106	108	110	112	114	—
Meat animals	102	100	99	99	100	102	102	102	105	—
Dairy products	103	99	105	106	105	107	106	109	109	—
Poultry & eggs	100	103	108	112	122	125	130	138	144	—
All crops	71	100	106	99	101	88	105	112	109	—
Feed crops	31	108	125	119	101	63	116	113	113	—
Food grains	84	93	87	77	77	70	77	99	76	—
Oil crops	75	87	96	88	88	71	87	87	92	—
Cotton and cotton seed	68	111	113	83	127	133	103	138	140	—
Tobacco	75	89	77	58	61	69	71	83	85	—
Vegetables and melons	97	103	109	110	117	111	114	123	122	—
Fruits and nuts	100	100	99	95	109	117	111	113	105	—
Other crops	101	110	111	120	132	137	141	141	148	—
Farm input	96	98	95	92	89	87	87	89	89	—
Farm labor	95	97	89	87	84	86	82	87	88	—
Farm real estate	92	97	97	94	91	90	91	90	89	—
Durable equipment	95	91	86	80	74	70	67	65	63	—
Energy	97	100	90	84	93	93	91	90	89	—
Agricultural chemicals	93	106	101	111	100	90	93	90	94	—
Feed, seed, and livestock purchases	99	101	106	105	101	98	99	105	104	—
Other purchased inputs	107	108	99	89	92	90	96	97	100	—
Farm output per unit of input	88	103	111	111	117	112	124	127	126	—
Output per unit of labor										
Farm ^{3/}	88	104	118	117	123	114	131	129	127	—
Nonfarm ^{4/}	102	105	106	108	109	110	109	109	110	114

^{1/} New data and methods were used to calculate the 1991 indexes and to revise them back to 1948. ^{2/} Preliminary. ^{3/} Economic Research Service.
^{4/} Bureau of Labor Statistics. — = not available.

Information contact: Rachel Evans (202) 501-8362

Food Supply & Use

Table 39.—Per Capita Consumption of Major Food Commodities ^{1/}

Commodity	1985	1986	1987	1988	1989	1990	1991	1992	1993 P
Pounds									
Red meats 2/3/4/	124.9	122.2	117.4	119.5	115.9	112.3	111.9	114.1	111.9
Beef	74.6	74.4	69.6	68.6	65.4	64.0	63.1	62.8	61.7
Veal	1.5	1.6	1.3	1.1	1.0	0.9	0.8	0.8	0.8
Lamb & mutton	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pork	47.7	45.2	45.6	48.8	48.4	46.4	46.9	49.5	48.8
Poultry 2/3/4/	45.2	47.1	50.7	51.7	53.6	56.0	58.0	60.0	61.0
Chicken	36.1	37.0	39.1	39.3	40.5	42.2	43.9	45.9	47.0
Turkey	9.1	10.2	11.6	12.4	13.1	13.8	14.1	14.2	14.1
Fish & shellfish 3/	15.0	15.4	16.1	15.1	15.6	15.0	14.8	14.7	—
Eggs 4/	32.9	32.6	32.7	31.6	30.4	30.1	30.0	30.2	30.1
Dairy products									
Cheese (excluding cottage) 2/5/	22.5	23.1	24.1	23.7	23.8	24.6	25.0	26.0	26.2
American	12.2	12.1	12.4	11.5	11.0	11.1	11.1	11.3	11.4
Italian	6.5	7.0	7.6	8.1	8.5	9.0	9.4	10.0	—
Other cheese 6/	3.9	4.0	4.1	4.1	4.3	4.6	4.6	4.7	—
Cottage cheese	4.1	4.1	3.9	3.9	3.6	3.4	3.3	3.1	—
Beverage milks 2/	229.7	228.6	226.5	222.4	224.3	221.7	221.2	218.5	—
Fluid whole milk 7/	123.4	118.5	111.9	105.7	97.6	90.4	87.4	84.1	—
Fluid lowfat milk 8/	93.7	98.6	100.6	100.5	106.5	108.4	109.9	109.4	—
Fluid skim milk	12.6	13.5	14.0	16.1	20.2	22.9	23.9	25.0	—
Fluid cream products 9/	6.7	7.0	7.1	7.1	7.3	7.1	7.3	7.5	—
Yogurt (excluding frozen)	4.1	4.4	4.4	4.7	4.3	4.1	4.2	4.3	—
Ice cream	18.1	18.4	18.4	17.3	16.1	15.8	16.3	16.3	16.1
Ice milk	6.9	7.2	7.4	8.0	8.4	7.7	7.4	7.1	6.9
Frozen yogurt	—	—	—	—	2.0	2.8	3.5	3.1	3.5
All dairy products, milk equivalent, milkfat basis 10/	593.7	591.5	601.2	582.9	585.2	569.7	585.3	584.9	572.1
Fats & oils — Total fat content	64.3	64.4	62.9	63.0	60.4	62.2	63.8	65.8	—
Butter & margarine (product weight)	15.7	16.0	15.2	14.8	14.6	15.3	14.8	15.2	—
Shortening	22.9	22.1	21.4	21.5	21.5	22.2	22.4	22.4	—
Lard & edible tallow (direct use)	3.7	3.6	2.7	2.6	2.1	2.5	3.1	4.1	—
Salad & cooking oils	23.5	24.2	25.4	25.6	24.0	24.2	25.2	25.8	—
Fresh fruits 11/	110.6	117.4	121.6	120.7	123.1	116.8	113.2	122.7	—
Canned fruit 12/	12.7	12.9	13.6	13.3	13.3	13.5	12.3	14.4	—
Dried fruit	2.9	2.7	3.1	3.3	3.2	3.6	3.1	3.2	—
Frozen fruit	3.3	3.6	3.9	3.8	4.6	4.3	3.9	4.7	—
Selected fruit juices 13/	66.9	65.0	70.0	64.7	67.0	59.8	63.8	59.6	—
Vegetables 11/									
Fresh	103.0	100.4	107.0	110.6	114.9	112.3	109.6	114.0	113.4
Canning	90.9	91.0	90.6	86.4	93.5	100.8	103.1	99.6	101.5
Freezing	19.7	16.5	19.3	21.2	20.7	20.5	21.6	20.9	22.8
Potatoes, all 11/	122.4	126.0	125.9	122.4	127.0	127.7	130.4	132.4	135.7
Sweetpotatoes 11/	5.4	4.4	4.4	4.1	4.1	4.6	4.0	4.3	4.2
Peanuts (shelled)	8.3	8.4	8.4	6.9	7.0	8.0	6.5	6.2	—
Tree nuts (shelled)	2.3	2.2	2.2	2.3	2.4	2.6	2.3	2.4	—
Flour & cereal products 14/	156.1	162.1	170.6	173.7	175.4	183.5	185.4	187.0	—
Wheat flour	124.7	125.7	130.0	130.0	129.6	135.8	136.5	138.3	—
Rice (milled basis)	9.0	11.8	14.0	14.3	15.2	16.2	16.8	16.9	17.6
Caloric sweeteners 15/	131.2	129.5	133.5	134.6	136.7	139.6	140.6	143.8	147.1
Coffee (green bean equiv.)	10.5	10.5	10.2	9.8	10.1	10.3	10.4	10.3	10.0
Cocoa (chocolate liquor equiv.)	3.7	3.8	3.6	3.6	4.0	4.3	4.6	4.6	4.6

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Totals may not add due to rounding. 3/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occurs when chicken is cut up before packaging. 4/ Excludes shipments to the U.S. territories. 5/ Whole & part-skim milk cheese. 6/ Natural equivalent of cheese & cheese products. 7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products. 12/ Farm weight. 13/ Excludes pineapples & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 16/ Dry weight equivalent. — = not available.

P = preliminary.

Information contact: Judy Jones Putnam (202) 501-7413.

The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs and marital or familial status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA Office of Communications at (202) 720-5881 (voice) or (202) 720-7808 (TDD).

To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C., 20250, or call (202) 720-7327 (voice) or (202) 720-1127 (TDD). USDA is an equal opportunity employer.

New GATT report just released!

Effects of the Uruguay Round Agreement on U.S. Agricultural Commodities

On December 15, 1993, the United States reached an historic agreement concluding the Uruguay Round of Multilateral Trade Negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT). Benefits arising from the agreement include:

- U.S. farmers will gain from the increase in world income that will arise from the Uruguay Round agreement.
- U.S. agricultural exports are expected to increase by between \$1.6 billion and \$4.7 billion in 2000 and between \$4.7 billion and \$8.7 billion in 2005.
- Increased exports mean more export-related jobs, particularly for high-value and value-added products.
- Increased exports will raise farm prices, increase farm income, and lower Government outlays on price and income support programs.

- Perhaps even more important for the *future* is the discipline the Uruguay Round will apply to countries that might otherwise choose closed markets, production-inducing internal supports, and subsidized exports. This agreement has important consequences for our large trading partners that are currently outside the GATT: China, Taiwan, and the nations of the former Soviet Union.

Provisions of the Agreement

The Uruguay Round (UR) Agreement is an historic effort to open world agricultural markets, prompting increased trade and dynamic growth. The agricultural agreement covers four areas implemented over a 6-year period, 1995-2000, export subsidies, market access provisions, internal supports, sanitary and phytosanitary measures.

To Get the Full Report...

The information presented here is excerpted from *Effects of the Uruguay Round Agreement on U.S. Agricultural Commodities*, Stock # GATT-1. Price is \$9.00 (foreign orders, \$11.25). To order your copy, please call our order desk toll-free at 1-800-999-6779. Or send your check to:

ERS-NASS
341 Victory Drive
Herndon, VA 22070



New!

WASDE's Gone Electronic!

World Agricultural Supply and Demand Estimates (WASDE) can be yours each month electronically via CALL-ERS-NASS, the bulletin board service of USDA's economics agencies. Start enjoying the benefits and convenience of having the most current U.S. and global statistics right at your computer. Subscribers can access the report by 9:00 a.m. EST the morning after release. WASDE provides the most current USDA information on global supply-use balances of major grains, soybeans and products, and cotton, and U.S. supply and use of sugar and livestock products.

World Agricultural Supply and Demand Estimates (electronic)
Stock # WASDE-BB. \$30. 12 issues

Also available on paper!
World Agricultural Supply and Demand Estimates (paper). *Expedited delivery.*
Stock # WASDE. \$30. 12 issues

Call ERS-NASS at 1-800-999-6779 to start your subscription today. Visa or Mastercard accepted.



EUROPE

If you found last year's Europe report useful, take a look at what else ERS has to broaden your perspective on the many forces shaping agriculture and trade . . .

Europe International Agriculture and Trade Report 1993

Find out the details of the U.S.-EU Blair House Agreement. Learn how CAP Reform implementation is proceeding. This report covers enlargement, the new banana regime, and EU-Eastern Europe cooperation. Includes 50-page data appendix.
Stock # WRS-93-5 September 1993
120 pages \$9

Western Europe Agriculture and Trade Report 1992 The Common Agricultural Policy of the European Community has been under fire from both outside and within. Find out the details of the 1992 CAP Reform. This report covers EU 1992, bananas, "green money," environmental issues, and EU enlargement. Includes 70-page data appendix.
Stock # WRS-92-4 December 1992
171 pages \$9

Western Europe Agriculture and Trade Report 1990 Find out how German unification will affect EU agriculture. Learn about EU 1992 and prospects for agricultural trade, pressures affecting the agrimonetary system, and similarities and differences between the U.S. and EU farm sectors.
Stock # WRSB-90 November 1990
159 pages \$9

EC 1992: Implications for World Food and Agricultural

These 20 essays provide the background for completion of the European Community's Single Market. Learn about the effects of the new EU rules eliminating fiscal and technical barriers and how the Single Market will affect EU trade relations.
Stock # AG-9133 October 1991
300 pages \$15

CAP Reform: A New Era for EU Agriculture Learn how the EU will implement its new Common Agricultural Policy. This report interprets the CAP Reform rules in a concise, understandable way, and outlines the payment schedules and possible changes to CAP reform.
Stock # AIB-674 June 1993
12 pages \$6

Agricultural Policies and Performance in Central and Eastern Europe, 1989-92 Provides information and data on agricultural policy development and reform in Central and Eastern Europe. Stock # FAE-247 January 1993
80 pages \$12

To order, just call 1-800-999-6779, toll free in the USA and Canada.
Other areas, dial 1-703-834-0125.

United States
Department of Agriculture
1301 New York Avenue, NW
Washington, DC 20005-4789

FIRST CLASS
POSTAGE & FEES PAID
USDA
PERMIT NO. G-145

Official Business

Penalty for Private Use, \$300

Moving? To change your address, send this sheet with label intact, showing new address to: EMS Information, Rm. 228, 1301 New York Avenue, NW, Washington, DC 20005-4789

☐ **Want to Subscribe?**

☐ **Time to Renew?**

Agricultural Outlook

☐ Yes! I want to Start my subscription.

1 Year
Domestic: ☐ \$42.00

☐ Yes! I want to Renew my subscription.

Foreign: ☐ \$52.50

Mailing address (for renewals, attach mailing label here)

Name

Address

City

State

Zip code

Daytime phone

()

Use purchase orders, checks drawn on U.S. banks (and in U.S. funds), cashier's checks, or international money orders. Make payable to ERS-NASS. PLEASE DO NOT SEND CASH.

Payment method

☐ Check

☐ Money order

☐ Purchase Order

☐ VISA

☐ MasterCard

Amount

\$ _____

Credit card number

Credit card
expiration date

Month

Year

Return this form to: ERS-NASS, 341 Victory Drive, Herndon, VA 22070.

**For fastest service, call our toll-free order desk 1-800-999-6779
in the U.S. and Canada; other areas please call 703-834-0125.
Or FAX this order form to 703-834-0110.**

Attention current *Agricultural Outlook* subscribers: The top line of your mailing label may contain renewal information. This expiration reminder appears in one of two formats: APR95 (expiration date is April 1995) or 1-AGO-2 (two issues of your subscription remain).